

iNFRASTRUCTURE South Africa



UNBLOCKING BY INFRASTRUCTURE SOUTH AFRICA

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Presentation Outline



- 1. Introduction and Background**
- 2. Purpose of the Presentation**
- 3. Infrastructure Development Act**
- 4. Unblocking**
 1. Policy Unblockings
 2. Institutional Unblocking
 3. Proactive Unblocking
 4. Unblocking General Performance Challenges and Delays
- 5. Conclusion**

Infrastructure South Africa in context



- **National Planning Commission (NPC):** established in May 2010 to develop a long term vision and strategic plan for South Africa.
- **Presidential Infrastructure Coordinating Commission (PICC):** formed in 2012, and moved from the Department of Economic Development to Department of Public Works and Infrastructure in 2019.
- **Infrastructure South Africa (ISA):** established in 2020 to provide oversight in government for infrastructure projects in South Africa, and tasked to drive the implementation of the National Infrastructure Plan. The PICC Technical Task Team combined with the Presidential Infrastructure and Investment Office to create Infrastructure South Africa.
- **Infrastructure Fund (IF):** The IF is tasked with attracting private sector funding for the execution of Public Sector projects to supplement the fiscus.
- Unsolicited Bids and requests for Fiscal Support from the Private Sector **go through line departments** in government, not through ISA or the IF.

Purpose of the Presentation



The purpose of this presentation is to make the private sector aware of the service provided by ISA in the development of **public or private infrastructure**, which supports the National Infrastructure Plan (NIP2050)

1. Facilitating government processes to enable / accelerate execution of infrastructure projects
2. Recommending projects for gazetting as Strategic Integrated Projects

Infrastructure Development Act



1. Act No. 23 of 2014: Infrastructure Development Act, 2014 (IDA)

2. To provide for the **facilitation and co-ordination** of public infrastructure development which is of significant economic or social importance to the Republic; to ensure that infrastructure development in the Republic is **given priority** in planning, approval and implementation; to ensure that the development goals of the state are promoted through infrastructure development; to **improve the management** of such infrastructure during all life-cycle phases, including planning, approval, implementation and operations; and to provide for matters incidental thereto.

3. Objects and implementation of Act
 1. Clause 2. (1) (h) The objects of this Act are to provide for a statutory instrument by which obstacles to the expeditious implementation of the national infrastructure plan can be **UNBLOCKED.**

Policy Unblockings



1. Policy Unblockings can take a **long period of time**, require detailed engagement at government executive level, are negotiated among several departments, and are approved by Cabinet or relevant ministers
2. Operation Vulindlela (OV) drives **policy level government reforms** and is led by National Treasury and the Presidency
 1. Raising of the licensing threshold for embedded generation projects from 1 MW to 100 MW.
 2. The commitment by the Department of Water and Sanitation to fast track Water Use Licensing Processes within 90 days
3. Infrastructure South Africa can **escalate policy matters** that negatively impact the infrastructure sector to Operation Vulindlela.
 1. The Agriculture and Agro-Processing Technical Working Group is currently receiving assistance (on behalf of the exporters) from OV to relieve congestion at the border posts
 2. Engagements with the Border Management Agency are taking place, and engagements with neighbouring countries through DIRCO are in planning, including the Presidency

Institutional Unblockings



1. Institutional Unblockings involve situations where government entities and their systems are **not effective in processing applications** and giving feedback to clients due to various reasons, including limited capacity.
2. Examples
 1. Metro (City of Tshwane) approvals of building plans (Sefako Makgatho University Student Accommodation)
 2. Department of Minerals and Energy confirmation letter for safety obligations (Kuka Lion Ropeway: an aerial ropeway project that was co-developed by Kuka Mining Logistics (Pty) Ltd and the IDC to transport chrome ore.)
3. ISA plays a coordination and monitoring role, and holds officials accountable to decisions taken until a conclusion is reached.

Proactive Unblockings



1. Proactive Unblockings are for Strategic Integrated Projects to **“skip the queue”** for regulatory approvals; SIPs still get the necessary attention, but within a shorter period of time. An example for Environmental Approvals is:
 1. A letter confirming SIP Status from the PICC accompanies an application to the DEFF for environmental processed
 2. The relevant SIP Lead will “monitor” progress via the designated official at the DEFF
 3. Any other challenges related to the application are therefore resolved at a faster pace
2. SIP 10 and SIP 20 (Energy) is where pre-emptive unblocking has been applied on the various Renewable Energy IPP Procurement Programs (REIPPPP). The **private sector needs support to achieve financial close** prior to going into construction for the various projects under the Risk Mitigation Program
 1. The ISA Energy Team holds **regular engagements to track progress and resolve challenges proactively** using risk assessment strategies
 2. The team is committed to **support and show value to Private Sector** through the acceleration of construction to commercial operation within the energy sector
 3. The concerned departments and institutions are DEFF (EIA’s), DWS (WUL’s), DALRRD (Subdivision of Agric Land Applications), SANDF for No-Objection letters for, NERSA (Gas/Generation/Distribution Licenses), Provincial or Local relating servitudes (National/Provincial DPWI), Bio-diversity permits or by-laws/rezoning/SPLUMA within various municipalities, access to roads/servitudes for SANRAL, Transnet, Eskom, etc.

Infrastructure Development Act – Schedule 2



“Processes relating to implementation of strategic integrated projects (Clause 17).

- 1. Whenever any Strategic Integrated Project (SIP), is implemented in terms of this Act, any processes relating to such implementation, including processes relating to any application for any approval, authorisation, license, permission or exemption and processes relating to any consultation and participation required by the relevant laws must, as far as it is possible and in order to expedite the matter, run concurrently.**
- 2. Notwithstanding any other law, the processes set out in Schedule 2 provide a framework and guide for the implementation of any SIP, but the time-frames in Schedule 2 may not be exceeded.**
- 3. An executing authority may extend the period for completing any process listed in Schedule 2 involving public consultation if the relevant official makes a written request to the executing authority, provided that the relevant executing authority shall inform the (PICC) Council within five days of such decision, with reasons for the extension.”**

30

SCHEDULE 2*(Section 17(2))***Process and periods of time**

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| 1. Period for submitting application and project plan measured from approval by steering committee of project plan. | 7 days |
| 2. Period for public consultation on the application and project plan. | 30 days |
| 3. Period for application and project plan to be amended and submitted to the relevant authority for consideration and approval. | 52 days |
| 4. Period for submission to the relevant authority of detailed development and mitigation plan based on an approved project plan | 60 days |
| 5. Period for public consultation on the development and mitigation plan and review by relevant authority. | 44 days |
| 6. Period for relevant authority to consider and assess development and mitigation plan and make final regulatory decision. | 57 days |

Unblocking general performance challenges and delays



1. Unblocking general performance by government officials is undertaken through **existing relationships** with the various government departments.
2. ISA has Senior Government Officials participating in the Technical Working Groups and this improves **communication with officials** when applications or queries require responses from the responsible officials.
3. **The process** followed is to establish facts (e.g. application dates) from the Project Sponsor, to confirm the requirement, and to follow up with the relevant department / official. ***Relationship management and professional communication*** is most important to persuade individuals to perform and give government clients feedback. Our strength comes from the **mandate to facilitate and co-ordinate** infrastructure development in the country
4. Examples:
 1. Heritage Application to AMAFA and electricity connection for **Homestead Development in KZN (dtic Tourism Desk)**
 2. **Mokolo Crocodile Water Augmentation Project (MCWAP2)** EIA Appeal Decision delay at the DEFF
 3. **Karusa & Soetwater Wind Farms:** Renewal of Biodiversity Permits

Reasons to register with ISA



1. ISA strives to provide **practical support** to private sector infrastructure investment initiatives **which support the NIP2050**, by assisting companies to unblock impediments to processes and approvals required within Government.
2. Private Sector companies can also apply to be gazetted as SIPs.
3. Where ISA assistance is sought by private sector companies, they are requested to **apply for formal registration of the proposed Project / Programme with ISA**, in order for ISA to include the initiative in the national ISA database of infrastructure investments, allocate its resources to the unblocking work required, and monitor progress.

ISA Registration Requirements for Private Sector Companies



1. Project description, its strategic aims and objectives **and how it contributes to the National Infrastructure Plan (NIP)** or relevant sector masterplan
2. Specific issues that Government has the **authority to resolve** and that the Sponsor is requesting ISA's assistance **to unblock**
3. The estimated capital **cost** of the project excluding financing costs
4. Planned **timelines** for project preparation and implementation
5. Details of **expenditure to date** on the project
6. Details of the **owners or shareholders** of the project
7. Existing **feasibility studies** and project reports that can be shared with ISA
8. Letter Of Authority **from the Project Sponsor**

Conclusions



1. The private sector is **invited to utilize ISA officials for unblocking** all infrastructure-related and investment-related blockages, regardless of whether the projects are being developed by the private or the public sector
2. Undertaking to the private sector:
 - ISA TWGs will determine what can and cannot be unblocked and advise the Project Sponsor
 - ISA will refer to other government departments what cannot be dealt with through the TWGs, and monitor progress accordingly
 - ISA to build a detailed database of Unblockings for the different sectors / departments / Metros, in order to **target specific areas for systemic improvement** in the regulatory environment
3. ISA's mandate is to **facilitate and coordinate public infrastructure development** in line with the IDA and the Intergovernmental Relations Framework Act 13 of 2005.

TWG Contact Details



Sector	Name	Contact Details
1. Water and Sanitation	Miriam Chikwanda	miriamc@idc.co.za
2. Transport	Reitumetse Muzah	reitumetseM@idc.co.za
3. Digital Infrastructure	Tshegofatso Monama	tshegofatsom@idc.co.za
4. Agriculture and Agro-processing	Nqabakazi Tetyana	nqabakazit@idc.co.za
5. Human Settlements	Dorette Loggenberg	doretteL@idc.co.za
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7. Municipal Infrastructure	Thabang Tladi	thabangtl@idc.co.za
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