

8 December 2022

Minister Patricia de Lille  
National Department of Public Works and Infrastructure

Dear Min De Lille

## **WCPDF COMMENT ON THE NATIONAL INFRASTRUCTURE PLAN (NIP) 2050 PHASE 2**

As the Western Cape Property Development Forum (WCPDF), we hereby wish to submit the following comment on the NIP 2050 Phase 2, as presented in Government Gazette 47343.

The original intention – the “What” - of the NIP 2050 was to lay the foundations to achieve the National Development Plan’s aspirations in terms of energy, freight transportation, water and digital communications. The “How” would entail, among other priorities:

- Financing infrastructure and maintenance
- Strengthening institutions for delivery
- Rebuilding a vibrant and empowered South African civil construction and supplier sector.

During our WCPDF Annual Conference in May this year, we were privileged to have Dr Miriam Altman address our industry members on “Delivering infrastructure aspirations through public-private partnerships and alliances.” During this presentation, she noted the importance of the entire NIP exercise needing to “take procurement out of the shadows” if it was to deliver at all. There is not a sector in South Africa that does not depend on this being a priority, and it underpins the lion’s share of delivery against the NIP.

Coming out of Phase 1, surely procurement would therefore have been escalated to become a strategic sourcing function rather than what it has, instead, increasingly become: an administrative function that, across all tiers of government it seems, has administrated itself into near extinction?

In terms of our property development and construction sector alone, we cite the recent *2022 Infrastructure Report Card for South Africa*, published by the South African Institute of Civil Engineering (SAICE) which has rated our country's infrastructure as a “D”: “not coping with normal demands and is poorly managed, with risks of any incidents having severe impacts on operation”.

In turn, in June this year, Statistics SA delivered its *2020 Construction Industry* report, demonstrating – among many other alarming numbers – that 25% of all jobs in our industry had been lost between June 2017 and June 2020 (and that was pre-Covid-19).

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At the press launch of this publication, and in response to a question on what had driven this loss, Statistics SA's Deputy Director General of Economic Statistics confirmed that the poor performance of the construction sector could be attributed to government's inability to procure.

Therefore, it seems to make no difference, whether we are commenting on NIP 2050 Phase 2, or Phase 1 in the hope of achieving any of the vision laid out in the NIP, (or indeed the IDMS, SIPDM, NIAMM or the myriad of other theoretical documents being produced): without the severe crisis around procurement being practically addressed, first and foremost, all documentation attached to the NIP (or other frameworks) is no more than an academic work, without any route to implementation, at national, regional or municipal level.

The reality is that South Africa has stagnated into a theoretical realm with yet another policy document. Just as the NIP 2050 1 did nationally earlier this year, Phase 2 proclaims what municipalities "shalt do", but with no understanding or appreciation of what it takes to actually deliver in any of the four fields to which the original NIP 2050 Phase 1 aspires. There has been no attempt to move towards a rolling up of sleeves to begin the real work.

Truly, we believe those responsible for delivering on the NIP 2050 policy had the best of intentions.

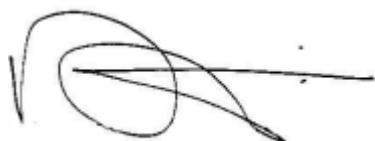
It acknowledges the need to have, for example, a pipeline of projects in order to have a regularised project scenario. But yet its drafters, in turn, identified that leadership and technical capabilities are at the root of the country's procurement crisis.

How do we then, as an industry within the South African scenario, even begin to comment now on a Phase 2, when there is no plan in place to fix a priority crisis highlighted in Phase 1?

Overall, what we have in the NIP 2050 is a vision that outlines what needs to happen against a certain timeline with a rollout over the years; it has its heart in the right place. But where is the plan to move from vision to implementation, and that will galvanise the current rigidity (or perhaps even rigor mortis) in our institutional form to become one that is more dynamic?

And how, ultimately, will that empower the all-important successful partnerships between the public and private sector, as envisioned by the NIP 2050, to stimulate the private sector to contribute as much as one-third to infrastructure development? And give investors both a belief and confidence in our economy?

Sincerely



**DEON VAN ZYL**

Chairperson

Western Cape Property Development Forum