Box 1: The Infrastructure Development Act

The Infrastructure Development Act No. 23 of 2014 was signed into law by the President of South Africa on 30 May 2014, and became operational on 10 July 2014. The Act has been adopted to facilitate and co-ordinate public infrastructure development, to ensure that infrastructure development is given priority, to promote the development goals of the state through infrastructure development, and to improve the management of infrastructure during all life-cycle phases.

The Act also establishes the co-ordination structures of the Presidential Infrastructure Coordinating Commission (PICC), which ensures that all three spheres of government are part of the PICC and that all the main executive authorities across the public sector meet on a regular basis to drive the implementation of infrastructure development plans.

In establishing the PICC and its subsidiary structures as legally defined organs of the state, the Act endeavours to address the lack of co-ordination across the state to ensure common priorities and the management of trade-offs around infrastructure projects, to ensure a sufficiently strong level of public investment, and to improve capacity for managing all phases involved in the development of infrastructure.

Through the Act, the PICC acquired powers to expropriate land in line with the Constitution of South Africa and other relevant laws. The PICC is responsible for developing and maintaining the National Infrastructure Plan, which sets priorities and secures alignment across state agencies around infrastructure. The PICC is also required to assess the impact of infrastructure projects on economic and social development and inclusion. The structures of the PICC include representatives of local and provincial government, a Management Committee that is similarly representative but able to meet more often, and a secretariat, which is chaired by the Minister of Economic Development and is composed of ministers and deputy ministers. The requirements and stipulations of the Act, if successfully implemented, will contribute to enhanced levels of infrastructure development in the country.

The Act empowers the PICC Council to designate Strategic Integrated Projects (SIPs), which essentially incorporate several linked projects through the National Infrastructure Plan. This approach should increase co-ordination and prove advantageous in terms of a shared drive towards the completion of projects. It requires all agencies of the state to align their infrastructure plans with the SIPs. For a project to be classified as an SIP, it should be included in the National Infrastructure Plan, be of significant economic or social importance to the country or a province, and be above a certain rand value as set by the Minister of Economic Development. This approach should ensure that a proper evaluation is done before a project is classified as an SIP.

The Act will set time frames for the approval of regulatory decisions affecting the implementation of infrastructure projects. Instead of sequential approval processes, the Act provides for processes to run concurrently wherever possible to ensure that the state works to a common deadline and that this time frame provides for the incorporation of public consultation processes. The Act:

- establishes in law the co-ordination structures of the PICC. This is done to ensure that all three spheres of government are part of the commission and that all the main executive authorities across the public sector are mandated to meet on a regular basis to drive the implementation of infrastructure.
- provides for SIPs that bring together a number of catalytic projects which together make up the National Infrastructure Plan. These allow for better integration of connected projects and improved monitoring of implementation.
- sets time frames for the approval of regulatory decisions affecting the implementation of infrastructure projects. Instead of sequential approval processes, it provides for processes to run concurrently wherever possible. This ensures that the state works to a common deadline and that this time frame provides for public consultation processes.
- sets out processes of co-ordination that require regulatory authorities and cross-cutting departments to work closely together through steering committees for each SIP which will co-ordinate efforts to speed up the implementation of infrastructure construction and completion.
- provides for the PICC to expropriate land required for infrastructure development but subjects these powers to the Constitution of South Africa and any Act of Parliament specifically dealing with expropriation which is passed by Parliament after the Act came into law.
- sets out the mechanism through which developmental targets can be set for each major infrastructure project, covering areas such as youth employment targets, greening the economy, skills development and broad-based empowerment.

The Act does not change the responsibilities of accounting officers or authorities, and does not change the route for fiscal flows. Line departments and public entities will continue to receive money for specific infrastructure projects, and they will remain accountable to Parliament for the spending of these funds.

The National Development Plan, which led to the promulgation of the Infrastructure Development Act, setting the framework for the PICC implies that, for the first time since 1994, South Africa has established a clear policy basis from which infrastructure development can be undertaken. Government's allocation of R1,5 trillion to infrastructure projects over the next five years is a critical step in clearing the backlog and underspending on critical infrastructure projects that South Africa urgently requires. If this investment is to yield effective results, rapid progress has to be made in converting the policy frameworks and legislation embedded in the New Growth Path, the National Development Plan and the Infrastructure Development Act into tangible projects to be implemented expeditiously.