



## REPORT OF THE DIALOGUE SESSION ON PHASE 2 OF THE NATIONAL INFRASTRUCTURE PLAN (NIP) 2050, HELD ON 22 NOVEMBER 2022

FROM 11H00-12H30

Platform: Microsoft teams (Virtual)

### Session 1: Dialogue Session on Phase 2 of the National Infrastructure Plan (NIP) 2050

*Chairperson: Ms Nobuntu Sibisi (Nedlac Secretariat)*

#### 1. BACKGROUND AND PURPOSE OF THE SESSION

- 1.1. In March 2022, Cabinet approved Phase 1 of the National Infrastructure Plan 2050 (NIP 2050) and the Nedlac social partners made extensive comments on the plan and those were incorporated into the final plan which was approved by Cabinet in March this year. Phase 1 of the plan mainly focused on freight transport, digital communications infrastructure, water and energy.
- 1.2. The purpose of the dialogue session was to give Government an opportunity to present the NIP 2050 Phase 2, and to allow the Nedlac social partners to make input on the plan before it was approved by Cabinet.

#### 2. PRESENTATION ON PHASE 2 OF THE NATIONAL INFRASTRUCTURE PLAN (NIP) 2050

- 2.1. Infrastructure South Africa (ISA) made a presentation on the National Infrastructure Plan (NIP) and it referred to the strategic vision and plan for the delivery of high-priority distributed infrastructure by 2050. For the purposes of this report, only the top three themes of the plan will be outlined in detail. Details of the other themes will be accessible on the copy of the plan attached as **Annexure 1** of the report.
- 2.2. The plan provides for the following themes under the infrastructure sectors i.e.
  - Human Settlements,
  - Municipal electricity, water & sanitation, and solid waste.
  - Passenger Transport
  - Road Infrastructure
  - Social Infrastructure (Education and Health)
- 2.3. Key focus on Cross-Cutting support to infrastructure was as follows:
  - Digital capabilities in infrastructure
  - Crime and corruption
  - Governance of infrastructure

2.4. **Theme on Human Settlement: Government vision to 2050 in realizing affordable housing and infrastructure accessible for all of South Africa**

2.4.1. It was reported that affordable housing and infrastructure will be accessible for all South Africans within well-managed and viable socially and economically integrated communities, located in areas allowing convenient access to economic opportunities and health, education, recreation, and other social amenities.

2.4.2. There will be the sustainable provision of a range of affordable housing options, as well as the provision and ongoing maintenance of adequate and accessible urban infrastructure and services to households and other end-users in human settlements.

2.4.3. The identified mechanisms to be put in place to deliver on the Government vision for 2050 were summarised as follows:

- (a) Clear and aligned mandates relating to the human settlements strategy, policy, planning frameworks and the associated institutional environment would be established.
- (b) A robust institutional and professional capacity in state institutions will be put in place in government entities and Municipalities.
- (c) Efficient regulatory processes were necessary to enable service delivery required to meet the 2050 vision.
- (d) Sufficient and sustainable municipal funding.
- (e) Programmes to support rapid innovation and change in the land, infrastructure, and human settlements delivery.
- (f) Climate-resilient human settlement-related infrastructure

2.4.4. Key elements of the three-year action plan put in place to strengthen the capacity to deliver under this theme was reported as follows:

- (a) Strategy, Policy & Institutions: A White Paper on Human Settlements will be developed to address issues of development, integration and implementation of Municipal land assembly schedules, human settlement plans and municipal bulk and link infrastructure plans.
- (b) Institutional Capacitation: Plan will be developed to rationalize Human Settlements (HS) institutions and professional & engineering capacitation. This will be aimed at the capacitation of C2 District Municipalities to support the DDM approach.
- (c) Enabling Regulatory Framework: There would be expedited planning, building control and development contribution regulations.
- (d) Sustainable Municipal Funding: Strengthen municipal rates collection and expedited statutory funding streams for new human settlements focus areas.

- 2.5. **Theme on Municipal Trading Services (Electricity, Water and Sanitation, Solid Waste)- Government Vision to 2050: Municipal services delivered to enable universal access & inclusive growth**
- 2.5.1. Government will deliver municipal electricity, water and sanitation, and solid waste services to enable universal access to sufficient, reliable, and affordable services, supporting an inclusive economy and thriving households.
- 2.5.2. The services will be efficiently managed and will be financially and environmentally sustainable.
- 2.5.3. Mechanisms proposed to be put in place to deliver on the Government vision for 2050 under this theme were highlighted as follows:
- (a) Government would ensure that the institutional framework and governance arrangements are fit for purpose.
  - (b) Effective management supported by adequate technical capability.
  - (c) Ensure financially sustainable trading services.
  - (d) Ensure effective participation by the private sector.
  - (e) Establish supportive policy and regulatory frameworks– in respect of price setting as well as procurement, and contracting, and with stronger enforcement of legislated standards and enabling step-in options as required to ensure service delivery.
- 2.5.4. Key elements of the three-year action plan put in place to strengthen the capacity to deliver under this theme were reported as follows:
- (a) A diversity of direct municipal delivery models will be explored suited to different types of municipalities and districts.
  - (b) Technical and professional capacity will be strengthened.
  - (c) Operating licences will be used as a key instrument for structural reform and performance.
  - (d) A dedicated professional team will be created within NERSA to drive reforms in the municipal electricity business.
  - (e) Financial and technical transparency and reporting requirements will be strengthened in 2023/4.
  - (f) Five electricity distribution companies will be established by 2025.
- 2.6. **Theme on Passenger Transport: Government Vision to 2050: The passenger transport sector facilitates efficient and affordable access by all**
- 2.6.1. In realizing the vision, the passenger transport sector to facilitate efficient and affordable access by all South Africans to economic opportunities, social interaction and services.
- 2.6.2. Passengers' needs for reliability, dignity, security, safety and health while travelling will be met, while also promoting environmental sustainability.

**2.7. Mechanisms proposed to be put in place to deliver on the Government vision for 2050 under this theme were highlighted as follows:**

- (a) Robust integrated planning and leverage on coordinated action.
- (b) Funding allocation and funding sources to be aligned to strategic goals and sustainable.
- (c) Integrated modes of transport to be aligned to passenger needs to be established.
- (d) A safe and secure mode of transport to be created for all users.
- (e) Ensure that passenger transport contributes to South Africa's environmental objectives.
- (f) Ensure a robust state capacity planning, that will implement, regulate, enforce and monitor public transport sector projects.
- (g) Provide an agile and adaptable to change passenger transport sector.

**2.8. Key elements of the three-year action plan put in place to strengthen the capacity to deliver under this theme was reported as follows:**

- (a) A review of integration barriers and needs affecting transport to be completed by 2023/4.
- (b) Development & Establishment of the following:
  - An action plan for the minibus-taxi sector
  - Integrated Public Transport Network (IPTN) patronage.
  - Effective model for policing and protecting railway assets
  - Single Transport Economic Regulator (STER).
- (c) Finalisation of a revised public transport subsidy and funding policy.
- (d) Establishment of a new contract for the operation of Gautrain beyond 2026.
- (e) Resolve the impasse around the e-toll system in Gauteng.
- (f) Green transport actions, including electric vehicles, hydrogen and other fuels.

## **2. INPUT BY THE SOCIAL PARTNERS TO THE NIP 2050 PLAN**

**2.4. Business Constituency inputs:**

2.4.2. It stated that Business Unity South Africa (BUSA) had already started the process of engaging its various committees and sub-committees responsible for specific topics like health, transport and digital technology. It stated that consultations in this regard were underway and a process of consolidating its submissions was in the pipeline with the view to make a written submission to Government on 09 December 2022.

2.4.3. It was aware that Government held consultations across the Government departments at the national, provincial and local levels. Business was concerned about topics or themes covered in the NIP 2050 that were the same issues that were still being discussed at Nedlac in different workstreams or structures. It inquired from Government on how it aims at addressing conflicting positions that may arise from the Nedlac discussions with those matters already contained in the NIP 2050.

- 2.4.4. It inquired from Government on the intention of making the presentation on this platform. It sought clarity whether once all the public consultation was done, Government aims at consolidating inputs received from the public process and would thereafter come back to Nedlac to formally table the revised NIP 2050 for engagement and Nedlac.
- 2.4.5. It sought clarity on Government's plan to ensure that the deliverables were reflected on the Government Annual Performance Plans (APP) to guarantee delivery.

**2.5. Community Constituency inputs:**

- 2.5.2. Community appreciated the comprehensive presentation from Government.
- 2.5.3. It stated that there are good plans in South Africa and the main problem was the implementation, it should be clear what informs the plan, and the plan should be informed by the current status quo.
- 2.5.4. Community recommended that instead of adopting the long-term plan approach there should be deliverables every five years. This can assist in adequate monitoring of the projects.
- 2.5.5. It stated that its biggest problem was goods and reliable transport system and was of the view that the NIP 2050 did not adequately cover that aspect.
- 2.5.6. It stated that the trucks were a contributing factor to a high number of fatalities on the roads. Therefore, mechanisms should be put in place to ensure that trucks were allocated separate lanes on the roads permanently.
- 2.5.7. It was important that the implementation of various projects as contained in the NIP 2050 was closely monitored. In addition, Nedlac social partners should be constantly capacitated.
- 2.5.8. Recommended that Government should look into sources that cause the closing of schools due to rundown infrastructure on a yearly basis. This was raised as a concern for Community Constituency.
- 2.5.9. It suggested that Government should consider providing for issues of primary health planning as a deliverable in the plan.
- 2.5.10. Suggested that Government should consider incentivizing the whistle-blowers where they have witnessed and reported a crime.
- 2.5.11. It further requested a bilateral with Government in order to make substantive comments with the ISA so that the comments can be incorporated accordingly.

## **2.6. Labour Constituency inputs:**

- 2.6.2. Labour appreciated the presentation from Government and it stated that the proposed plans were progressive. Its concern was around the capacity of Government to implement the proposed plans. It inquired how Government aims to implement it into reality.
- 2.6.3. Government made various progressive commitments over the years. The challenge was around the infrastructure targets falling far behind in terms of implementation.
- 2.6.4. There has been some planning of eradicating the school sanitation backlog in South Africa since President Mbeki's first term about 20 years ago and the targets set have not been realized to date.
- 2.6.5. Municipal capacity was another issue that needs attention as there were a number of deteriorating municipalities that were not performing to the required standards.
- 2.6.6. Labour was concerned about the South African National Road Agency Limited' (SANRAL) strategy of importing labour in some of its projects. The emphasis should be on localization.
- 2.6.7. Whistleblowing should be encouraged and the recent killings of Government officials who reported corruption were making the situation worse, a concrete plan should be established to deal with this challenge.
- 2.6.8. It recommended that Government should consider looking into the State buildings that have been used in the past and have now been converted by individuals to residential infrastructure and generating money at the expense of the State.
- 2.6.9. Government need to also plan for maintaining the infrastructure as schools and other government infrastructure is depilating.
- 2.6.10. Labour needed clarity on the environmental sustainability points and climate targets, especially regarding infrastructure construction.

## **3. RESPONSE FROM THE ISA SECRETARIAT TO SOCIAL PARTNERS**

- 3.4.2. Government acknowledged the slow progress and implementation of infrastructure plans which impacts service delivery. It stated that there have been serious challenges regarding the delivery of public infrastructure but Government was committed to delivering better services. In addition, it stated that strengthening Government capacity and putting systems in place was important to deliver services.
- 3.4.3. Government committed to ensuring that areas approved by Cabinet were infused into the APP for the next financial year.
- 3.4.4. Every section of the NIP one and two has a statement on the good and the bad and how it should be attended to, it was all articulated toed in the plan. There was a huge emphasis on the transformation agenda and that was noted.

- 3.4.5. Government indicated that issues relating to good and reliable transport were covered in detail in NIP phase one on freight transport.
- 3.4.6. In terms of the requested bilateral with Community can make time to be available and should that it should be scheduled very quickly.
- 3.4.7. There is a big emphasis on maintenance and criminality there was an attempt to infuse this in NIP phase one. The criminal intelligence of the State was weak at the moment, the intelligence capability needs to be strengthened.
- 3.4.8. Environment sustainability was the key focus of the plan.
- 3.4.9. There was a team looking at the SANRAL concern and Government can then respond appropriately.
- 3.4.10. In terms of delivery of major Government infrastructure projects and programmes, this required a re-think on issues relating to funding and financing mechanisms.
- 3.4.11. It was reported that Provinces were now allowed by law to commit their future fiscal allocation to social infrastructure.
- 3.4.12. A concept was approved by Cabinet some months ago to allow Government to create a special purpose vehicle and programme management office to bring in funding from financial institutions to eradicate schools that were not compliant with the norms and the standards of the Department of Basic Education (DBE). The three-year funding cycle from National Treasury only allows Government to deliver a certain number of schools to be refurbished. If Government can rely on the National Treasury's three-year funding cycle it can take about 68 years to eradicate schools that were not compliant to norms and standards. The amendments to the Division of Revenue Act it allows Government to drive this infrastructure programme, and that Government can deal with a backlog within a period of eight to twelve years.
- 3.4.13. Government was happy to receive inputs from all the social partners and those will be considered.
- 3.4.14. Government will need Cabinet approval in March 2023, in this regard, the document should be approved by DG's of the economic cluster in Mid-February 2023. This enables Government to submit to Cabinet. If the approval gets outside the deadline of March 2023 it will mean that the target will not be fulfilled.

#### **4. WAY FORWARD**

- 4.1. The Chairperson provided a summary of the engagements and the following way forward was agreed by social partners:
  - 4.1.1. Social partners to forward their preliminary written comments directly to Government before the 09 December 2022. Secretariat to send the reminder to the Constituency on their undertaking.
  - 4.1.2. Constituencies to monitor the deliverables as proposed by Government in the NIP 2050. Secretariat to invite Government to share the three-year action plan once adopted by Cabinet on deliverables provided under each theme as contained in the plan.

- 4.1.3. Secretariat to urgently set up a bilateral meeting between Government and Community ASAP.
- 4.1.4. Secretariat to liaise with the ISA office to ensure the printed copies of the NIP 2050 plan were made available to the members of the Community Constituency.

## **5. CLOSURE**

- 5.4. The Chairperson appreciated everyone who participated effectively to the deliberations throughout the session and officially declared the session closed.



**LIST OF PARTICIPANTS: DIALOGUE SESSION ON PHASE 2 OF THE NIP 2050 HELD ON THE 22<sup>nd</sup> OF NOVEMBER 2022**

<b>Business</b>	<b>Community</b>	<b>Labour</b>	<b>ISA Secretariat</b>	<b>Nedlac Secretariat</b>
Siobhan Leyden Sanelisiwe Jantjies Annelize Crosby Vitor Ferrao Thapelo Machaba	Lucas Qakaza Matthews Mponzo Laura Kganyago	Matthews Parks Boitumelo Moete Sipho Ndhlovu	Mameetse Masemola Nqobile Dingee Miriam Altman Comfort Matoti Lebogang Maleka Charles Mabuza	Nobuntu Sibisi Priscilla Mashabane Bongani Mahlalela Dineo Modika

