

**NATIONAL COUNCIL OF PROVINCES  
QUESTION FOR ORAL REPLY  
QUESTION NUMBER: 291 [CO624E]**

**★291. Mr C J de Beer (Northern Cape: ANC) to ask the Minister of Finance:**

- (1) How much improvement will the R400 billion infrastructure fund to be allocated to the Presidency contribute to the Gross Domestic Product in the short term;
- (2) whether there will be a regular report on the strategic infrastructure projects with regard to their (a) expenditure and (b) progress; if not, why not; if so, (i) when and (ii) what are the further relevant details?

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**REPLY**

1. Public sector Infrastructure expenditure is estimated to be R855.2 billion, averaging 5.2 per cent over the medium term. Of this general government is expected to be more than R400 billion. The R400 billion comprises of departmental baseline funding for national, provincial and local government. These funds are expected to leverage and crowd-in private sector investments and by so doing, encourage partnerships between the public and private sector as envisaged in the National Development Plan (NDP).

The NDP states that, in order to grow the SA economy and halve unemployment and reduce poverty by 2030, infrastructure investment as a percentage of GDP needs to grow from 18.7 per cent in 2017 to 30 per cent in 2030. This implies that both the public and the private sector need to increase the level of investments. The R400 billion announced therefore serves as a good basis to grow the economy and achieve NDP goals.

The Infrastructure Fund aims to provide a platform to leverage on the existing funding provided on-budget to crowd in private sector financing. In the medium near term as more is directed into investment spending this will positively impact on GDP growth and better support employment creation in construction and manufacturing sectors of the economy.

2. Over the past decade, the public sector has invested R2.2 trillion in economic and social infrastructure. However, systemic challenges in the delivery of infrastructure projects persist and in an environment of slow economic growth and limited resources, it is important to reduce waste so that spending produces the intended results. To strengthen accountability and transparency, the National Treasury is updating and improving infrastructure reporting systems at national, provincial and municipal level. These efforts are expected to improve efficiency in the implementation of projects and result in significant savings. Starting in the coming financial year, the National Treasury will publish online expenditure reports on strategic infrastructure projects.

3. To address this problem, funds have been allocated to the Presidential Infrastructure Coordinating Commission Technical Project Management Unit to strengthen their capacity to monitor the implementation of Strategic Infrastructure. The National Treasury is also introducing an improved reporting system that will provide details of all projects in the public sector. This will be an extension of existing reporting and publication processes. The aim is to ensure ease of compliance through consolidating and automating these processes to enable reporting of project information into the public domain.