

Achieving developmental goals through construction

By <u>Cyril Vuyani Gamede</u> 6 Jan 2021

The catalytic role of construction in South Africa's economic reconstruction and recovery plan is well defined and enjoys strong support across a wide spectrum in society. It is quite clear that investment in infrastructure will be critical to the success of the national efforts to stimulate investment and growth, and create sustainable jobs.



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This is also an opportunity for the construction industry to do a thorough assessment of its contribution to the transformation of the sector and the steps it can still take to develop skills and support the growth of emerging enterprises.

Analysing trends, identifying opportunities

The Construction Industry Development Board (cidb) is in a pivotal position to analyse trends, identify opportunities and mobilise support within the broader construction sector for measures which will achieve the transformation objectives.

One of the signature #BizTrends of 2021 for the construction sector will be the introduction of the Best Practice Project Assessment Scheme which is designed to integrate social development goals into public infrastructure projects.

There is broad acceptance within the construction industry that it must respond to vital social and economic imperatives. The rapid delivery of quality public infrastructure will be critical to the country's successful emergence in the post-pandemic economy.



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There is also a unique opportunity to rebuild the construction sector in an inclusive way and ensure higher levels of integration of emerging contractors into the major projects that flow from government's infrastructure investments.

The Best Practice Project Assessment Scheme will be the tool to achieve this. It recognises the fact that infrastructure development has immense potential to boost economic and social development. And it provides a framework for the private sector to ensure that infrastructure contributes meaningfully to the broader national priorities, such as skills and enterprise development, job creation, and a healthier and safer construction industry.

Emerging enterprises are ready to participate fully in this new wave of construction activity. In recent months, the cidb has taken major steps to solve some of the most pressing problems facing this sector, and the Best Practice Project Assessment Scheme will be another spur to accelerate this process.

Fundamental impediments

Some fundamental impediments are still being tackled. The potential of the emerging sector is stifled by its inability to access finance and credit as well as a dearth of opportunities for vocational or management training.

Government as a primary client of the industry has to play a vital role in removing these obstacles through its procurement processes and through the promotion of public sector delivery programmes that are designed to provide support to the broader community.

The Best Practice Project Assessment Scheme is an important step to achieve this and to provide clarity and certainty to the industry on the objectives for transformation and the targets which the industry will be required to meet. It gives national departments, government entities and the implementors of strategic infrastructure projects the mandate to build social development goals – which are pegged to cidb standards – into tenders for infrastructure projects.

The best-practice standards in procurement will be utilised to attain improved industry performance in areas relating to health and safety, productivity and quality, training, employment practice and environmental protection.



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Setting standard measurements of reporting

The programme sets prescribed minimum standards and methods for project contributions to social development and introduces standard measurements of reporting and accountability for the public sector clients.

For example, the standard for indirect targeting will require a contractor which was awarded a project larger than R60m to have contract participation goals for emerging enterprises amounting to at least 5% of the contract value.

An important element is the creation of a national fund for social development and the determination of the minimum contributions that must be made towards this fund for each prescribed project.

The Best Practice Project Assessment Scheme will, without a doubt, benefit emerging contractors, learners and graduates seeking opportunities to acquire skills and workplace experience in the construction industry. It also offers a credible scheme for major contractors who are committed to the transformation of the sector.

The cidb is designated as the leading agency for the management and regulation of the programme. It has the legislative mandate to set minimum standards for project contributions to social development in terms of the Best Practice Project Assessment Scheme and to define national priorities. The cidb will collect the individual project contributions to the national fund and be the implementing agency for the development initiatives that will be funded.

The details of the Best Practice Project Assessment Scheme were published in the Government Gazette in September and the scheme will come into effect in April 2021.

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