



BERRY & DONALDSON  
(Pty) Limited  
GLOBAL FREIGHT LOGISTICS  
Established 1963

# NEWS

## 12 May 2015

### **Private sector participation in infrastructure development gets a fillip**

State-owned freight logistics company Transnet is partnering with the Development Bank of Southern Africa (DBSA) in a drive to accelerate Private Sector Participation (PSP) in its multi-billion rand infrastructure investment programme.

The initiative, agreed this week by Transnet acting group chief executive, Siyabonga Gama, and his DBSA counterpart, Patrick Dlamini, paves the way for the development bank to provide funding and expertise for PSP preparation work, including transaction advisory services. In terms of the agreement, DBSA will share in project preparation funding; contribute financial and project management skills and capacity; provide indicative terms and amounts to expedite funding of PSP project execution; and provide strategic support for the execution of Transnet's PSP programme.

Commenting on the milestone, Gama said: "Finding innovative funding solutions is a key element of the Market Demand Strategy (MDS). Partnerships with the private sector will not only broaden our sources of funding for capital investments, they will give us access to private sector skills and expertise.

"At the same time, they will help us manage risk and provide alternative procurement tools for large infrastructure projects. In addition, PSPs provide entities like Transnet with mechanisms to ensure black participation in large-scale projects," he added.

Increasing private sector participation in South Africa's infrastructure investment programme is part of DBSA's mandate as a development finance institution. In addition, once a project is ready to go to market, DBSA will also be eligible to compete as one of the funders.

"This partnership speaks to one of our core objectives of supporting economic growth through investing in economic infrastructure – with transportation being one of the four key focus sectors to achieve this objective," Dlamini said.

**FTW** [www.ftwonline.co.za](http://www.ftwonline.co.za)