

BAKWENA'S

PPP OFFERS TANGIBLE SOLUTIONS IN ROAD SERVICE DELIVERY

Recognising their limits in the execution of certain projects, governments all over the world often rely on Public-Private Partnerships (PPPs) to meet the demands of infrastructure improvements. However, while the concept of leveraging PPPs to execute massive projects and fast-track service delivery has proven effective in both developing and developed markets, there are still some that remain unconvinced about their benefits.

PPPs offer a myriad of benefits. These extend to the state, its citizens, the private sector and the country's Gross Domestic Product (GDP). PPPs bring together the expertise and resources of two sectors to provide services or infrastructure at a better value for money. For the public sector, one of the greatest advantages of a PPP is the access it provides to modern technology, management and skills from the private sector. For the private sector, it is an opportunity for increased innovation.



The National Development Plan (NDP) recognises the tolling system and its immense potential to contribute to the economic and social development of the country because of the provision of new and well-maintained roads. Under the NDP, users pay the costs in the long term, with financial concessions for poor households. The state must also put in place appropriate regulatory and governance frameworks so that the infrastructure is operated efficiently and effectively. The major benefits of South Africa's national road network include economic growth, tourism, social development and economic opportunities across the country, and not just in main economic hubs.

Through the concession between the Bakwena Platinum Corridor Concessionaire (Pty) Ltd (Bakwena) and The South African National Roads Agency SOC Ltd (SANRAL), the PPP brings in private sector competencies, efficiencies and capital used to improve national roads without burdening the government with providing funding for the entire project. PPPs offer an immediate return on investment for road-users, investors and the public sector. These wins are leveraged against the financial risk and the management needed to deliver vitally-needed roads in the shortest period possible. This win-win situation has proven effective and has been in effect between Bakwena and SANRAL for over 20 years.



Bakwena manages 90 kilometres of the N1 from Pretoria northwards to Bela-Bela (Warmbaths) and a 295-kilometre section of the N4 from Pretoria westwards through Rustenburg and Zeerust to the Botswana border on behalf of SANRAL. Bakwena has built, operated and sustainably maintained the N1N4 routes over the last 20 years by raising equity and loans.

Bakwena actively manages the N1N4 to provide road users with world-class infrastructure. Some of the projects the concessionaire has delivered include the construction of 91km of new road from the Kameeldrift interchange to Brits and the Rustenburg bypass. In 2019, Bakwena invested R270 million on rehabilitation works on the N1N4 route and the upgrading of the R511 interchange, while an additional carriageway from the M17 towards the R512 was recently completed at a cost of R582 million.

These technical milestones and upgrades enhance the safety of road users, and eliminate congestion through increased efficiency, productivity and mitigate traffic delays. They also minimise the wear and tear of vehicles, the time of travel, as well as fuel costs for both corporate and private motorists, which is great for households and consumers.

Public-private partnerships can help in providing more efficient procurement, greater consumer satisfaction due to the life cycle maintenance of roads, and in delivering new sources of investment. PPPs remain an integral resource in the development of the country's economy and infrastructure such as roads, which play an integral role in facilitating the movement of goods and services across South Africa and its southern African counterparts. Road maintenance is supported by active road management which involves the construction and regular inspection of roads, bridges and slopes. It also involves the management and servicing of road users, a task too costly and burdensome for the state to bear alone.

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