



# Annual Rail Safety Conference 2019

**Rirhandzu Mashava**

01 October 2019

PRESENTATION 3 - THE IMPORTANT RELATIONSHIP  
BETWEEN  
TRANSPORT INFRASTRUCTURE  
AND  
SUSTAINABLE FUNDING

# PRESENTATION CONTENT

1. Introduction
2. History Of Railways
3. Status-Quo
4. Sustainable Funding Options
5. Development Finance Institutions
6. International Financial Institutions

# INTRODUCTION

- Importance of transport infrastructure
- Effectiveness and efficiency of transport systems
- Adoption of the National Infrastructure Plan by the government of South Africa

# RAILWAYS IN SUB-SAHARAN AFRICA

- Importance of railways
- Independence and appointment of public bodies
- Challenges affecting the railway system

# RAILWAYS IN SOUTH AFRICA

- Establishment of the South African Transport Services (SATS)
- ‘De Villiers’ report findings & recommendations
- Impact of capital expenditure reductions on railway infrastructure

# STATUS-QUO

- Status of the railway sector in SA

- Challenges plaguing the rail industry

- Problem statement

Rail transport is unsustainable when deployed in circumstances that do not allow it to operate to its full technological capability; and where its viability depends on support from economically unsustainable monopolistic institutional arrangements

# SUSTAINABLE FUNDING OPTIONS

- Adequate and efficient transport infrastructure
- Economic and social development
- Investment



# SUSTAINABLE FUNDING OPTIONS

- The following options are available for financing infrastructure:
  - Public Financing
  - Private sector financing
  - Development assistance
  - Borrowing from financial institutions
  - Internally generated revenue
  - Assistance through DFIs and IFS

# DEVELOPMENT FINANCE INSTITUTIONS

- Promote investment in developing countries
- Foster economic growth and sustainable development
- Offer financial services to developing countries
- Assist in lowering the cost of capital through partial credit guarantees

# INTERNATIONAL FINANCIAL INSTITUTIONS

- Acknowledged by International Financial Institutions (IFS)
- IFS are mandate
- The **World Bank and African Development Bank**
- Support offered to governments

# CONCLUDING REMARKS

- Transport infrastructure investment is crucial for providing a rail service that is reliable, efficient, cost-effective and safe.

**THANK YOU**