

**EDITORIAL ISSUED BY THE PROUDLY SOUTH AFRICAN
CAMPAIGN/CORPORATE GOVERNANCE RESEARCH INSTITUTE (PTY) LTD (CGF)
DATE: 19 January 2009**

Public Private Partnerships - A win-win recipe for development and economic empowerment

Infrastructure development and maintenance are critical to economic growth. Developing countries across the globe which have a need for infrastructure development and maintenance are increasingly recognizing the value of engaging private business to achieve developmental aims. A sound infrastructure is also in the best interest of private business. Hence Public Private Partnerships, commonly known as PPPs, are increasingly being considered as an effective way of developing infrastructure, while at the same time assisting in the transfer of much needed skills.

“PPPs can fulfill an important function in promoting national prosperity, especially since PPP projects typically focus on areas such as electrification, water, housing, road and rail, healthcare, education and correctional services facilities”, says Terry Booysen, CEO of CGF Research Institute (Pty) Ltd, and a strategic partner of the Proudly South African Campaign.

Notably, the R25b Gautrain Rapid Rail Link is the largest PPP project ever undertaken in South Africa and is currently the largest infrastructural deal in Africa. Through projects such as these, the private sector, including banks and lenders alike, are encouraged to increase their participation within similar initiatives. “These initiatives not only boost the development of much needed social and public infrastructure, but also facilitate the transfer of workplace skills for employment opportunities. It represents economic empowerment which is something which Proudly South African companies are fundamentally committed to,” says Booysen.

Establishing a PPP is not too complicated. However, it does require that certain procedures and guidelines, which will ensure good governance and accountability, are followed.

“PPP agreements require the approval of National Treasury or the relevant Provincial Treasury which, in turn, are governed by the provisions of the Public Finance Management Act of 1999, and the Municipal Finance Management Act of 2003 respectively”, advises Booysen.

Private companies are encouraged to participate in PPPs as their contribution to building a better South Africa – their much needed financial expertise and technical project management skills all play a vital part in growing our economy.

Furthermore, through the National Treasury’s PPP Manual, a best practice guide for PPP practitioners, companies have the ideal opportunity to enhance their Black Economic Empowerment Scorecards as they embark on infrastructural projects that uplift the community at large.



For more information on the captivating subject of PPPs, contact:

Terry Booysen, CEO, CGF Research Institute (Pty) Ltd (A strategic partner of Proudly South African) on Tel: +27 11 476 8264/1; Cell: +27 82 373 2249 Fax: 086 623 1269; Email: tbooyesen@cgf.co.za, or visit www.cgf.co.za

For more information on the Proudly South African Campaign, call 011 327 7778, or visit www.proudlysa.co.za