

BREAKFAST SESSION

PROVIDING SUSTAINABLE INFRASTRUCTURE DEVELOPMENT USING ALTERNATIVE SERVICE DELIVERY METHODOLOGIES

24 FEBRUARY 2010

Critical Infrastructure requirements

Absa Group views alternative service delivery procurement options including public-private partnerships as a business imperative; it is one way in which the Group provides access to much-needed capital to finance especially infrastructure programmes and projects, thereby releasing public funds for critical socio-economic projects.

Trevor Manuel during the early 2000's said:

"Our priority is to meet the socio-economic needs of all South Africans, and in particular to alleviate poverty. We would be wrong to assume that government can meet this challenge alone. Government must compliment its budgeting capacity with the innovative and specialist skills that are available in the private sector".

SADC countries in general and South Africa specifically are faced with substantial needs concerning investment for the extension, rehabilitation and upgrading of infrastructure. The South African government is presented with extraordinary challenges regarding extensive capital expenditures, which can by no means be tackled by relying on budgets, grants and or donor funding only.

Economic impact

Inadequate and deteriorating infrastructure in SA is directly undermining growth prospects and indeed causes great harm to efforts to improve socio-economic and social prospects. The electricity, water and sanitation sectors are involved in basic service delivery to the citizens of SA and the country currently experiences serious maintenance backlogs and lack of new infrastructure to support not only economic expansion but also delivery of housing and services to the poor.

Government's reaction

Over the last few years the South African government responded by increasing the capital available for infrastructure projects significantly. The gross fixed capital formation statistics as measured by the SA Reserve Bank reflect the increased spending.

Due to a lack of capacity to maintain many of these assets the asset values

deteriorate very quickly, and the actual maintenance costs increase disproportionately making it very difficult to price services for full cost recovery.

Alternative Service Delivery Methodologies

Given the need to meet demands from citizens and an increasingly competitive global environment, government is under pressure to focus on new or alternative ways to finance projects, build and maintain infrastructure thereby delivering services.

Alternative service delivery (ASD) solutions span a continuum including service and management contracts, leases and concessions as well as Public Private Partnerships. The focus is on partnering with the private sector while transferring appropriate risks that the partners (consortium of private sector companies) should be able to manage better.

SPEAKERS & TOPICS

iLGM President

Introduction

André Kruger, Absa Public Sector Banking

MORE ABOUT THE SPEAKER

Andre Kruger has been a banker for most of his career working in the corporate banking sphere as well as specialising in the provision of banking services to the public sector in Southern Africa. Mr Kruger focused on alternative service delivery (ASD) including public-private partnership (PPP) projects for the last number of years. Andre Kruger specialises in the conceptualisation of major infrastructure transactions and the subsequent formation of private sector consortiums that tender for PPP and ASD infrastructure transactions.

Andre Kruger completed his MBA studies at the University of Pretoria. He also completed an Advanced Credit programme at Chase Manhattan Bank and an advanced Project Finance programme by Euromoney and an International Banking programme at Lloyds Bank.

FUNCTION DETAILS

Date:	Wednesday, 24 February 2010
Venue:	Woodmead Country Club Cnr Woodlands Drive & Lincoln Street Woodmead Sandton
Time:	07:00 - Registration 07:30 - Breakfast 08:00 - Introduction 08:15 - André Kruger, Absa Public Sector Banking

Cost:

09:15 - Questions and answers
09:30 - Closure

Cancellation
fee:

iLGM Members: Free of charge
Non-members: R300,00

Please note that a cancellation fee of R300,00 will be charged to members and non-members if registration is not cancelled 48 hours before the function or if a delegate is a 'No Show' at the function.

RSVP:

Please RSVP to Marlindi Bosch on marlindi@vdw.co.za by no later than 19 February 2010.

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