



DBSA

Development Bank  
of Southern Africa

# NEPAD/SADC INFRASTRUCTURE PROJECTS CONFERENCE

## *Enhancing Regional Integration*

CENTRAL DEVELOPMENT CORRIDOR: SOME DBSA PERSPECTIVES

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SANDTON, SOUTH AFRICA



# THE DBSA IN PERSPECTIVE

- Established in 1983: wholly owned by the SA Government – but with a strong regional mandate
- Self-funding development institution
- Focus on infrastructure, private sector development and overall economic growth (including also Human Resource Development and Capacity Building)
- Five roles of financier, advisor, partner, implementer and integrator
- Move towards greater presence in the SADC region

# THE DBSA MANDATE AND KEY FEATURES

- Invest in sustainable infrastructure for economic growth in the region
- Emphasis on development and economic impact as well as on financial returns
- Facilitate infrastructure development and regional integration
- Be a catalyst for investment
- Promotion of private sector development [BEE, Indiginisation, localisation]
- <sup>4</sup>Promote Human Resource and institutional capacity development

# KEY CHALLENGES: CENTRAL CORRIDOR

- “CROWDING-IN” THE PRIVATE SECTOR
  - Project Preparation Facilities - DBSA/AFD facility - currently in phase 2 [US\$20million]
  - SADC [PPDF] – currently being set up to prepare and package regional projects [KFW]
- CROSS-BORDER PROJECT COMPLEXITIES
  - Lending to the “project” not to the country?
  - Lack of harmonised regulatory, legal and policy environment
  - Institutional arrangements
- POST-CONFLICT SOCIETIES
  - Weak public institutions [utilities] – inadequate absorptive capacity for large debt and equity outlays
  - Lack of active private sector participation – largely because of the generally weak private sector

# THERE ARE GOOD REASONS TO INVEST IN PROJECTS ALONG THE CENTRAL CORRIDOR:

- Good bankable projects – several ready for investment
- Agglomeration economies
- Conditions favourable to the private sector
- Rising minerals, metals and food prices
- Active government support [and support through NEPAD and REC's
- Rising number of infrastructure funds capitalising on investment opportunities in Africa

**THE END!**

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