

PRIVATE SECTOR PARTICIPATION IN TRANSPORT – STATUS AND PROSPECTS

Shemmy Simuyemba
InfraAfrica (Pty) Ltd
Infrastructure Management Consultants
Gaborone, Botswana

The Objective: the new cliché in infrastructure these days is “private sector participation” which signifies the new trend and thinking on how transport systems and services should be owned, managed, operated and sustained so as to provide a customer focussed service within a liberalized market environment.

Pre-conditions: for private sector participation to occur, whether this be in the form of concessions, privatizations or greenfield projects, three basic conditions need to be fulfilled:

Opportunities: opportunities for private sector involvement must exist.

Policy Framework: the policy and legal framework and overall macro-economic environment must be conducive and supportive of private sector participation.

Institutional Capacity: the capacity to manage the changed environment facilitative of private sector participation must be in place at all levels

The Rationale: the rationale for private sector participation is that this would:

- put infrastructure service provision in the hands of the private sector who have the capital, capacity (in terms of technology and skills) and motivation (profit) to provide an efficient and sustainable service
- free scarce national resources for alternative socio-economic uses
- mitigate against the economic cost and lost opportunities of loss making public monopolies, poor infrastructure and inefficient service
- enable infrastructure to play the catalytic role it should in spurring development and promoting competitiveness
- create employment, incomes and improved quality of life thereby alleviating poverty

The Status: the presentation will seek to show that while the potential exists, private sector participation while emerging, has been slow in taking root in Southern Africa because the three pre-conditions have not been fully met.

The Way Forward: the presentation will explore innovative approaches to addressing the three areas, in particular, institutional capacity issues, as a basis for stimulating discussion and collectively exploring approaches and options that would strengthen and accelerate private sector participation in transport in Southern Africa.

PRIVATE SECTOR PARTICIPATION IN TRANSPORT – STATUS AND PROSPECTS

Shemmy Simuyemba
InfraAfrica (Pty) Ltd
Infrastructure Management Consultants
Gaborone, Botswana

ABSTRACT

BRIEF RESUME

Name: Shemmy Simuyemba

Education: B.A. Economics, University of Zambia, 1980

Master of Arts, Transport Economics, University of Leeds, U.K., 1984

Professional Track Record:

October 2000 to Date – InfraAfrica (Pty) Ltd

- One of the Directors of InfraAfrica (Pty) Ltd, an emerging infrastructure management consulting practice based in Gaborone, Botswana with a regional focus

October 1996 to September 2000 – USAID Regional Office for Southern Africa

- Infrastructure Advisor and Acting Director in the Office of Regional Market Integration for the United States Agency for International Development (USAID) Regional Center for Southern Africa based in Gaborone, Botswana, dealing with trade and infrastructure issues in Southern Africa

1994 –1996 – Southern Africa Transport and Communications Commission

- Working with an international consulting practice, Abt Associates assisting the Southern Africa Transport and Communications Commission (SATCC) during the conceptual and operationalization stage of the SADC Protocol on Transport, Communications and Meteorology

1989 – 1994 – United Nations Conference on Trade and Development (UNCTAD)

- Chief Technical Advisor of an UNCTAD trade and transport facilitation project based in Blantyre, Malawi, covering the then ten countries of the Southern African Development Coordination Conference (SADCC)

1980- 1989 – Government of the Republic of Zambia in various professional capacities



SOUTH AFRICAN TRANSPORT CONFERENCE

Private Sector Participation in Transport:

Status and Prospects

Shemmy Simuyemba

InfraAfrica (Pty) Ltd



Overview of Presentation

- Economic Rationale
- Framework for Private Sector Participation
- Opportunities
- Regional Status
- Prospects
- Conclusions

ECONOMIC RATIONALE

- OBJECTIVE
 - Optimize Resource Allocation/Utilization
 - Improve Economic Efficiency
 - Improve Service Delivery
 - Create Sustainability
 - Alleviate Poverty

FRAMEWORK FOR PARTICIPATION

- PRE-REQUISITES
 - Opportunities
 - Policy Framework
 - Institutional Capacity

OPPORTUNITIES

- INVESTMENT
OPTIONS

- Availability
- Viability
- Linkages
- Perceptions
- Marketing
- Investor Needs
- Visible Actions
- Successes

POLICY FRAMEWORK

- INTEGRATED APPROACH
 - Political and Social
 - Macro-economic
 - Regional Dimension
 - Legal Framework
 - International Norms
 - Consistency
 - Responsiveness
 - Transparency

INSTITUTIONAL CAPACITY

- MANAGING CHANGE
- Formulate, Manage and Disseminate Policy
- Manage Liberalized Environment
- Regulate and Facilitate
- Consult and Assimilate
- Structures, Systems, Skills

REGIONAL STATUS

- OPPORTUNITIES
 - POLICIES
 - CAPACITY
- Exist but Not Fully Exploited
 - Intent Exists, Practice Limited
 - Fragmented and not Integrated
 - Limited in Terms of Structures, Systems and Skills

PROSPECTS

- OPPORTUNITIES
 - Need Unbundling
 - Appropriate Packaging and Aggressive Marketing
 - Use of Information Technology
 - Use of Professional Services

PROSPECTS

- WHERE ARE THE OPPORTUNITIES
 - Ports and Terminals
 - Inland Waterways
 - Toll Roads
 - Railways
 - Inland Depots
 - Airports and Airlines
 - Border Post Facilities
 - Information Systems
 - Government Services

PROSPECTS

- POLICIES
 - Set Regional Framework and Priorities
 - Ensure National Compliance
 - Improve Coordination of Donor Assistance
 - Increase Private Sector Participation

PROSPECTS

- CAPACITY
 - Enhance Capacity of Regional Institutions
 - Strengthen Key Govt Departments
 - Devise Systems for Monitoring and Impact Assessment
 - Outsource Expertise
 - Reform Donor Procurement

IN CONCLUSION

- There are immense opportunities for private sector participation in transport
- The opportunities need to be unbundled, packaged and marketed
- The opportunities must be presented within a logical and integrated regional and national policy framework
- The policy framework must be supported by strong institutions and transparent practices
- Need public/private partnership



THANK YOU

InfraAfrica (Pty) Ltd
Infrastructure Management Consultants
Gaborone, Botswana

