

Public Private Partnerships (PPPs): An effective and legitimate finance model for TOD in South Africa?

Abstract

The current framework of planning legislation in South Africa reflects a growing emphasis in tools and strategies that seek to redress the spatial imbalances of the past and facilitate socio-economic transformation going forward. As part of the planning efforts to give practical effect to these trajectories, Transit Oriented Development (TOD) has become a central feature in policy making in the major metropolitan municipalities of the country. While this has been the case, the planning and implementation of TOD initiatives is however a multi-layered undertaking which warrants the consideration of a number of critical issues. One of the issues in this regard specifically relates to the financing of a TOD project from strategy design to implementation. Drawing on the review of the literature, there is a general consensus that the degree of success in infrastructure projects undertaken exclusively by government is a major concern mainly due to capacity and technical challenges. As a result, the need for governments to consider other alternatives has never been so paramount. One such alternative available to government is the Public Private Partnership (PPP). A PPP essentially involves a contractual arrangement between a public and private sector entity for the development and/or operation of a particular project.

Against this brief background, the aim of this paper is to deconstruct the concept of PPPs and explore its discourse as a finance mechanism for TOD initiatives within the context of South Africa. The study will employ a case study methodology comprising of a questionnaire survey. The research findings will aim to determine the efficacy of PPPs as a service delivery model for TODs. The paper also seeks to provide practical evidence on a selected number of international cases that have successfully adopted PPPs as part of their TOD initiatives. Moreover, TODs are a relatively new concept in South Africa and as such, this paper aims to contribute to and provide a knowledge base about TOD as well as determine the consistence of current perceptions and implementation to the basic goals of TOD initiatives. This study is therefore timely in its exploration of collaborative arrangements that can be fostered between the public and private sectors in the overall cycle of TOD projects in South Africa.