ABSTRACT

Public Private Partnerships (PPPs) are an innovative method to deliver infrastructural projects without government having to use public funds for funding capital projects. This innovative method has been adopted worldwide and has yielded the intended results, more especially in European countries. This innovative method provides government with an opportunity to focus on governing and take advantage of skills and funding from the private sector to fund capital-intensive infrastructural projects.

Within the South African context, all PPPs are required to comply with the requisites of the BEE Code of Good Practice for PPPs, which states that 10% of the bid weight will be allocated for compliance in terms of BEE. Over the years, this requirement has been met for the majority of PPP projects that reached financial close and complied with the requirements promulgated by the South African Government as a tool to promote, develop and empower up-and-coming entities.

The aim of this study was to investigate the economic advancement occasioned by PPPs on Previously Disadvantaged Individuals (PDI) subcontracting. This was attained through the use of a case study method as a result of the type of questions and objectives to be met.

The study revealed that PPP projects are compliant with the BEE Code of Good Practice for PPPs. However, the requirements are not specific and clear in the PPP agreement to facilitate better monitoring and evaluation.

Keywords: Previously Disadvantaged Individuals, Subcontracting, Black Economic Empowerment, Public Private Partnerships