

Proposed Project Summary for Public Disclosure
(concept review stage)

Project Name	Passenger Rail Infrastructure Renewal Project
Country	The Republic of South Africa
Type	Sovereign
Area of Operation	Transport Infrastructure
Concept Approval Date	13 March 2026
Total Project Cost	ZAR 26.8 billion
Proposed Limit of NDB Financing	USD 1.0 billion
Borrower	The Republic of South Africa
Project Entities	Department of Transport, the Government of the Republic of South Africa Passenger Rail Agency of South Africa
Project Context	<p>South Africa's passenger rail network, operated by Passenger Rail Agency of South Africa ("PRASA"), has deteriorated over the past decade due to chronic underinvestment and maintenance backlogs. As a result, annual passenger trips have collapsed from more than 500 million in the early 2010s to well under 100 million in recent years, even as urban travel demand has continued to grow. Consequently, much of the unmet urban transport demand has shifted to private cars and minibus taxis, worsening congestion and safety risks and raising transport costs, especially for low-income commuters.</p> <p>PRASA has initiated a rebuilding and recovery plan, but obsolescence, sabotage, theft and vandalism on signaling and telecommunications ("S&T") systems continue to constrain operations, forcing trains to run at reduced speeds and with low service frequencies.</p>
Project Description	<p>The Project comprises three components to be implemented across six high-demand corridors prioritized by PRASA, where outdated S&T systems are the binding constraint.</p> <p>Component I. Signaling and Control Systems: Upgrading and construction of new electronic interlocking and modern signaling systems, and associated train control systems.</p> <p>Component II. Digital Network: Establishment of a fiber-optic transmission network with associated digital infrastructure.</p> <p>Component III. Project Management and Technical Support: Technical advisory, safety supervision, capacity building and knowledge products.</p>

Project Objective	<p>The Project aims to modernize priority, high-intensity urban rail corridors in South Africa and enhance their capacity, safety and reliability. The main outcomes envisioned under the Project include higher train service frequency, increased average train speeds, and growth in annual ridership.</p> <p>The Project aligns with the Department of Transport’s Strategic Plan (FY2025-30) to position rail as the backbone of public transport in South Africa, and its operational target of achieving 600 million passenger journeys per year by FY2030.</p>
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