Project Summary for Public Disclosure
(after approval of NDB financing)

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
Financing Approval Date	30 September 2026
Total Project Cost	ZAR 28.1 billion
Initial Limit of NDB Financing	USD 1 billion
Current Limit of NDB Financing	USD 1 billion
Borrower	The Republic of South Africa
Project Entities	Department of Transport of South Africa Passenger Rail Agency of South Africa
Project Context	Between FY2013 and FY2020, annual urban passenger trips in South Africa rose by around 20%, yet commuter rail ridership fell by more than 75%, from 543 million trips per year to just 133 million, a decline driven by continued underinvestment and chronic maintenance backlogs. In subsequent years affected by the COVID-19 pandemic and lockdowns, the urban rail ridership further plunged to 10 million. This shift of the passenger flow to road transport led to rising economic costs to the country related to increased expenses for the population, worsening road congestion, accelerated deterioration of road conditions and rise in greenhouse gas emissions. PRASA launched its rebuilding and recovery plan in 2021 to rehabilitate its dilapidated network, and by 2025 reported that 35 of its 40 service lines have been returned to operation, and 300 new trainsets delivered. Ridership gradually recovered to 77 million passenger trips in FY2025 but remains far below the historical peak of around 600 million annual trips, which PRASA aspires to achieve by 2030. The outdated signaling and telecommunications systems have been identified as the critical bottleneck, as they constrain speeds and frequencies of trains, forcing PRASA to operate at suboptimal capacity and leaving it unable to fully meet commuter demand.
Project Description	To modernize the signaling and telecommunications systems of six high-intensity urban rail corridors operated by the Passenger Rail Agency of South Africa, namely: (i) Pienaarspoort–Pretoria, (ii) Naledi–Johannesburg, (iii) Leralla–Germiston/Johannesburg, (iv) Pretoria–

<table>
<tr><td></td><td>Kaalfontein/Kempton Park, (v) Umlazi–Durban, and (vi) the Central Line.</td></tr>
<tr><td>Project Objective</td><td>The Project aims to modernize priority, high-intensity urban rail corridors in South Africa and enhance their capacity, reliability and safety. The main outcomes envisioned under the Project include higher train service frequency, increased average train speeds, and growth in annual ridership. The Project aligns with the Department of Transport's Strategic Plan (FY2025-30) and National Rail Master Plan.</td></tr>
<tr><td>Implementation Arrangements</td><td>Project Entities:
(i) Executing agency: the Department of Transport of South Africa, responsible for monitoring performance and expenditure, facilitating budget transfers appropriated through the national budget vote, and exercising oversight in accordance with the PFMA and shareholder governance framework; and
(ii) Implementing agency: the Passenger Rail Agency of South Africa, responsible for day-to-day project implementation under the oversight of the executing agency.
The implementation period for the Project is from 2025 to 2029.</td></tr>
<tr><td>Environmental and Social Information</td><td>The Project has been categorized as Category B in accordance with the NDB Environment and Social Framework (NDB ESF). The main E&S impacts and risks of the Project on the existing rail premises of brownfield sites, including vegetation removal, impacts to wetland, occupational safety and potential social unrest including vandalism and thefts, will be site-specific and moderate in nature and scale and can be readily mitigated by applying standard impact mitigation measures. These impacts and risks will be mitigated through the implementation of a comprehensive Environmental and Social Impact Management Plan to ensure compliance with NDB ESF.</td></tr>
<tr><td>Financing</td><td><table><tr><th>Source of Fund</th><th>Amount</th></tr><tr><td>NDB</td><td>USD 1 billion</td></tr><tr><td>Counterpart funding</td><td>around ZAR 11 billion</td></tr></table></td></tr>
<tr><td>Contacts</td><td><table><tr><th>NDB</th><th>Borrower</th><th>Project Entity</th></tr><tr><td>Public Sector Department
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