

EU lends support to SA's infrastructure development plans

European Union (EU) deputy head of the delegation to South Africa, Raul de Luzenberger, says the union is lobbying for R170m to be dedicated to infrastructure development in South Africa. He was speaking during a webinar on the impact of the EU funded Infrastructure Investment Programme of South Africa (IIPSA).



Source: Gallo/Getty

IIPSA is aimed at fast-tracking infrastructure delivery in municipalities by using a blended project financing approach involving EU grants, government and the private sector.

“South Africa has placed infrastructure development at the core of socioeconomic recovery. Like in the EU... socioeconomic recovery is critical. Hence, we look forward to working together to accelerate the roll out of much needed infrastructure for the country, especially at municipal level.

“An additional R170m for an infrastructure technical assistance facility is being mobilised to help boost sustainable development by supporting capacity and by stimulating innovative investment models, including at local level,” De Luzenberger said.

He said through IIPSA, the European Union has provided at least R1.7bn to “support infrastructure investment” in the country in total.

“Through IIPSA, the programme has already contributed to projects with a high socioeconomic return by [adding to] the financial feasibility and project quality, and by reducing the risk associated with the projects.

“Most importantly, it [increased] knowledge on innovative blended finance by demonstrating that [combining] the strategically contributing EU grants with public and private financing, it can have a catalytic effect and make a fundamental difference,” De Luzenberger said.

One of the projects completed by the programme include the construction of the Fort Hare University student accommodation.

“[It] made it able and possible to address the acute student accommodation shortage, build a safe and conducive environment and contribute to the surrounding community,” De Luzenberger said.



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Municipal finance

De Luzenberger highlighted stabilising the finances of the country’s municipalities as being of critical importance for infrastructure development in the country.

“Stabilising municipal finance was identified as a significant and growing source of risk. This impacts sufficient and reliable service delivery – one of the biggest challenges in South Africa. Lacking resources delays economic development and growth opportunities in local communities. This is largely due to municipalities across the country not having the required resources to fulfil the infrastructure development in communities within which they operate.”

He said as cooperation grows between South Africa and the EU, local government is coming into even more focus.

“Municipal level is an increasing focus of the EU cooperation in South Africa, which covers a broad range of projects from municipal capacity building to public finance planning or infrastructure,” De Luzenberger said.

De Luzenberger also revealed that the EU is “keen to work more closely” with the country’s municipalities on solutions for issues such as climate change and the economy.

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