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## **PRESS RELEASE**

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### **DBSA, EU LAUNCH A MULTI-BILLION FUND FOR INFRASTRUCTURE DEVELOPMENT**

Midrand - The Ambassador of the European Union to South Africa, His Excellency Mr. Roeland van de Geer and the Development Bank of Southern Africa (DBSA) CEO, Mr. Patrick Dlamini today launched the €100 million (R1.6 billion) ground breaking Infrastructure Investment Programme for South Africa (IIPSA), to provide grant funding in support of loans for essential infrastructure projects in South Africa and the region.

The fund was established following a joint initiative between the Government of South Africa and the European Union, and forms part of the EU's broader intervention under its country strategy for South Africa.

Speaking at a media briefing, DBSA CEO Mr. Patrick Dlamini said: "We are pleased that the Bank has been appointed as a fund manager to implement the IIPSA programme. We therefore, view this programme as a strategic intervention to fund South Africa's national and regional infrastructure projects, especially at the critical initial stages to prepare projects to bankability".

EU Ambassador, Mr. Roeland van de Geer underlined that "IIPSA will provide innovative financing that will see the blending of European Union grants with long-term financing from participating South African and European development finance institutions. It also aims to attract private financing into projects with a high socio-economic return by enhancing the financial feasibility and project quality and/or by reducing the risk associated with such projects."

Projects to be supported will be selected from an updated list of priority infrastructure projects established by the IIPSA Project Steering Committee, and will be directly linked to

the priorities of SA government, EU-SA priorities for cooperation and the SADC regional infrastructure strategy. IIPSA will prioritise large projects with an investment value of over ZAR1billion.

“The establishment of this fund could not have come at a better time because lack of adequate infrastructure funding has been identified as a key constraint to faster economic growth and social inclusion both in South Africa and in the SADC region”, Mr. Dlamini added.

The Government of South Africa has prioritised infrastructure development as a catalyst to address the country’s triple challenges of high unemployment, poverty and inequality.

In order to be eligible to receive financial assistance from the IIPSA fund, projects must comply with the following criteria:

- The project must either be a South African project or
- A regional project which must be a trans-border initiative involving two or more countries in the SADC region with a demonstrable regional impact on one or more countries.

Key priority sectors will include: energy, transport, water and environment, ICT and social infrastructure.

A Request for Proposals will be issued in early April 2014 inviting potential recipients to propose infrastructure investments whose development would be enhanced by the use of IIPSA grant funding alongside other forms of financing.

“We will utilise our expertise to effectively implement the IIPSA funding programme. This will ensure that we enhance an inclusive and sustainable regional economic growth, as well as addressing constraints affecting infrastructure development in SA and in the SADC region”, concluded Dlamini.

**Issued by the Development Bank of Southern Africa and the European Union.**

**For More Information Contact**

**For DBSA:**

**Name: Jacky Mashapu**

**Cell-phone: +2771 670 3768**

**OR**

**For the European Union:**

**Name: Frank Oberholzer**

**Cell-phone: +2782 786 6223**

**Email: [Frank.Oberholzer@eeas.europa.eu](mailto:Frank.Oberholzer@eeas.europa.eu)**

## **Notes for Editors**

### **"About Development Bank of Southern Africa"**

The Development Bank of Southern Africa (DBSA) is one of the leading Development Financial Institutions (DFIs) in South Africa and Southern Africa. The DBSA provides sustainable infrastructure project preparation, finance and implementation support in selected African markets to improve the quality of life of people in support of economic growth and regional integration.

### **"The European Union"**

The EU is a unique economic and political partnership between 28 European countries with a population of close to 500 million people. It was incrementally created in the aftermath of World War II to foster economic cooperation: the idea being that countries who trade with one another become economically interdependent and so more likely to avoid conflict. What began as a purely economic union has evolved into an organisation spanning policy areas, from development aid to environment. The EU is based on the rule of law: everything that it does is founded on treaties, voluntarily and democratically agreed by all member countries. The EU has delivered half a century of peace, stability and prosperity, helped raise living standards, and launched a single European currency, the euro. Thanks to the abolition of border controls between EU countries, people goods, services and money can travel freely throughout most of Europe. Human dignity, freedom, democracy, equality, the rule of law and respect for human rights are the core values of the EU and are promoted internally and internationally.