

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 1996 [NO2444E]**

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**1996. Mr D C Ross (DA) to ask the Minister of Finance:**

What is the state of readiness of the Development Bank of Southern Africa (DBSA) to provide assistance to under-resourced municipalities?

NO2444E

**REPLY:**

The DBSA has an established organisational capacity and proven track record in providing both financial and technical assistance to under-sourced municipalities supporting socio-economic infrastructure development. The DBSA remains a dominant player in providing development finance to under-resourced municipalities, as 85% of the debt in this market segment is held by the DBSA.

To address the challenges facing the under-resourced municipalities, the DBSA has adopted a delivery model that allows it to provide end-to-end integrated development solutions that focus on its roles as advisor, implementer and funding partner to municipalities. Through this model, the DBSA offers the following services in an integrated manner:

- **Development advisory:** DBSA assists municipalities with capacity to undertake long term development planning in identified areas in order to promote sustainable development.

- **Project planning and preparation:** DBSA continuously increases its capacity to expend resources to assist with funding and technical support to expedite project planning and preparation – feasibility and bankability studies.
- **Infrastructure development finance:** DBSA's role as a funder of infrastructure development entails the funding of viable and sustainable projects, as well as taking on substantial risk in order to enhance credits and crowd-in private sector capital.
- **Implementation support and capacity building:** DBSA plays a key role in assisting under-resourced municipalities with programme design, coordination, project management, construction and implementation management support.

The DBSA's ability to combine provision of technical assistance and investment support is further strengthened by partnering with government departments, in particular DCoG and National Treasury.

