European Investment Bank launches 150 million euro programme in SA

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The European Investment Bank (EIB) is engaged in a €150 million programme to increase the supply of social and affordable housing in South Africa.

Speaking in Sandton today EIB Vice President for Africa, Plutarchos Sakellaris, said 34,000 new homes will be built in the South Africa under the (EIB) social and affordable housing initiative

"The EIB's programme to fund affordable and social housing infrastructure and social amenities recognizes the unique and fundamental role of improving housing for low-income South Africans to achieve South Africa's economic and social integration objectives. We commend South African public and private sector partner institutions for their hard work of seeking to overcome historical challenges to the availability of housing in the country."

Sakellaris says the EIB will be working closely with five public and private sector financial partners in South Africa.

He said funding was made available to three commercial banks, Standard Bank , ABSA and Nedbank , and two public institutions, Development Bank of South Africa (DBSA) and the National Housing Finance Corporation (NHFC).

Sakellaris said: "€150 million has been allocated to 30 different projects and currently €70 million has been disbursed to support the construction of 17,000 housing units. Remaining funds agreed under the initiative are expected to be disbursed later this year for the construction of a further 17, 000 homes."

Lawrence Lehabe, Executive Manager from the NHFC who attended the press briefing on Monday says his organization in delighted to be in partnership with the EIB

"As you will know that the NHFC mandate is to ensure that there is access to affordable housing finance to low middle income earners in South Africans and that is broadly our mandate. We have secured approximately €30 million from EIB which we will use to directly fund projects that provide entrepreneurial potential with finance for interim housing. This fund will be dedicated to that broad aspect of housing," Lehabe said.

Roeland van de Geer, European Ambassador to South Africa told Business day that the EU is happy to be part of this project.

Geer said" "Housing for us is a natural choice given the strength of the financial sector and also the National Housing Finance Corporation. This is a unique project of the EIB because it is not normally investing in this type of housing projects and it is a clear reflection of our specific attention. We are assisting the South African government in meeting this very important challenge of housing, primary health care and primary health education," he said.