



## Development Bank of Namibia

### Sector profile: finance for local authorities and PPPs

The Development Bank of Namibia (DBN) views local authorities as critical providers and enablers of infrastructure for communities and enterprises.

To foster development through local authority activities, the Bank provides direct finance to local authorities, finances public private partnership (PPP) arrangements, as well as contractors.

Among others, finance can be provided for:

- Serviced land
  - Clearing of erven
  - Water and sewage infrastructure
  - Electricity distribution networks
  - Residential roads
- Low to middle income housing developments
- Water storage and drainage systems
- Town roads, bridges and culverts
- Local authority buildings
- Metering and billing systems, movable assets and equipment

#### Structured, responsive finance for larger projects

The Bank structures finance for larger projects to ensure that it promotes long-term viability, based on the project plan.

The Bank cooperates with local authorities and PPPs to develop viable financing that takes sustainability, risk, revenue streams and development impact into account.

The duration of finance is 10 years, however in the case of infrastructure the duration may be extended to 20 years.

#### Products

For local authority projects or contractors with less complex requirements, DBN provides a range of products that may include:

- PPP Finance
- Local Authority Finance
- Property development finance (affordable land and housing)
- Asset-backed finance (vehicles and other assets)
- Contract (tender) based finance
- Performance guarantees

#### About the Bank

The Bank is constituted in terms of the DBN Act, Act 8 of 2002. The sole shareholder is the Government of the Republic of Namibia, represented by the Minister of Finance.

It funds financing from its own pool of capital, and raises capital on financial markets. It also acts as custodian and administrator for capital received from other development finance institutions.

Its Board is constituted of experts from the private and public sectors, governed by board rules. DBN manages risk through a comprehensive enterprise-wide risk management system.

#### Mandate

The main objective of the Bank is to contribute to economic growth and social development of Namibia and for sustainable promotion of the welfare of the Namibian people by:

- Mobilising financial and other resources from the private and public sectors nationally and internationally;
- Appraising, planning and monitoring the implementation of development schemes, export projects and other economic programmes of national importance;
- Facilitating the participation of the private sector and community organisations in development schemes, export projects and other economic programmes of national importance; and
- Assisting in development of money and capital markets.

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