



Proposed Funding Models for Municipal Infrastructure Delivery

Dr. Clive Coetzee
Independent Economist

Executive Summary

Efficient public infrastructure plays a key role in a competitive and productive economy and therefore the ongoing funding and financing of infrastructure delivery is of critical importance. The central issue or the argument at hand is that infrastructure needs have grown beyond the capacity of municipalities in South Africa. The capacity of municipalities to meet expectations for improved infrastructure delivery have diminished and are under real pressure, and the use of financing options involving the private sector for example can reduce the call on public resources. While alternative financing and funding models offer opportunities to reduce the immediate call on municipalities, it should be noted that the application of new models is not a panacea. Ultimately infrastructure can only be funded through taxation, borrowings or direct user charges.