



## **Media Statement**

**To All Media**

**For Immediate Release**

**9 October 2019**

### **STUDENT HOUSING INFRASTRUCTURE PROGRAMME**

The Department of Higher Education and Training has signed a Memorandum of Agreement with the National Treasury and the Development Bank of Southern Africa (DBSA) to accelerate and fund the Government's Student Housing Infrastructure Programme (SHIP).

The three partners will oversee the implementation of SHIP, which aims to develop 300 000 new beds at the 26 public universities and 50 public Technical and Vocational Education and Training (TVET) colleges. The DBSA will host the SHIP Management Office for the first five years.

DHET Director-General Mr Gwebinkundla Qonde said the agreement and the SHIP Management Office marked a significant milestone in achieving the Department's student housing goals.

"We are very pleased to have the support of the National Treasury, the DBSA and the European Union (EU) in massively expanding our capacity to house hundreds of thousands more students in safe and suitable housing. The SHIP Management Office will expand and accelerate student housing on urban and rural campuses in partnership with public universities and TVET colleges throughout the country," he said.

DBSA Chief Executive Officer Mr Patrick Dlamini said funding for a big student housing programme had always been a stumbling block in the past but the DBSA had

pledged to make available R6 billion for the first phase of projects in the Programme. “The DBSA is very pleased to support the massive increase in student housing, and to host the SHIP Management Office at our base in Midrand. We have already started funding large projects through the Programme,” he said.

National Treasury Director-General Mr Dondo Mogajane said National Treasury had already provided hundreds of millions of rands in funding for the student-housing programme through the Budget Facility for Infrastructure.

“We are encouraged to see projects of 2 000 or more beds becoming a reality on campuses through this Programme. This will not only help to solve the severe shortage of accommodation for students, but will also create thousands of construction and other jobs,” he said.

The EU, through its Infrastructure Investment Programme for South Africa (IIPSA), supports the SHIP with a grant facility of R300 million, which de-risks and thereby leverages co-investment potential from other public and private funders. This has been done by offering capital grants and interest rate subsidy facility for funded projects. Furthermore, IIPSA provided initial seed capital to cover the operational expenses of the SHIP Management Office and a costing model for student housing that can be applied by all post-school education and training institution in South Africa.

EU Ambassador Mr Marcus Cornaro said that with IIPSA, the EU provides R1.6 billion to support infrastructure investment in South Africa, using innovative finance to boost investment and job creation. “The EU and South Africa enjoys a strong and unique partnership. We are honoured to canalise the energy of this partnership for jobs, growth, innovation and above all our youth,” Cornaro added.

SHIP is already developing projects with more than 7 000 beds at the universities in the Eastern Cape, Western Cape and Gauteng. Other projects with 20 000 more beds are in various stages of preparation and development at universities and TVET colleges in North West, Gauteng, Eastern Cape, Western Cape, KwaZulu-Natal, Free State and Limpopo.

The SHIP Management Office will be making regular media statements to provide details of projects. **Ends**

**Enquiries:** Ishmael Mnisi, Media Liaison Officer (Ministry), 066 037 8859