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CITY OF CAPE TOWN

20 NOVEMBER 2018

MEDIA RELEASE

City signs loan with German bank for wastewater treatment plant upgrades

The City of Cape Town today, 20 November 2018, signed an urban wastewater management loan to the value of approximately R1,3 billion with the German government-owned KfW Development Bank. The loan, which was offered at a highly subsidised fixed interest rate of 8.107%, will be used to finance the expansion and refurbishment of some of the City's 25 wastewater treatment plants over the next few years. Read more below:

This unsecured loan is payable over 15 years to spread the related costs over the lifetime of the wastewater projects to limit any undue burden on the ratepayer. All costs associated with taking up the loan have been considered in terms of affordability in advance.

Earmarked wastewater treatment plant projects include: Zandvliet, Cape Flats, Bellville, Macassar, Potsdam, Melkbosstrand, Mitchells Plain, Borchard's Quarry, Hout Bay, Scottsdale, Wildevoevlei and Gordon's Bay.

'Cape Town is a growing city and it is important that we are able to sufficiently invest in infrastructure, the diversification of resources and the reliable provision of water services over the coming years as we build our resilience. We thank KfW for approaching the City with this offer and for their confidence in the overall management and governance of the City.

'The taking up of debt is standard practice for any major city administration and all cost implications have been considered in terms of affordability in advance. This loan is in line with our commitment of becoming a more sustainable city and to adapt better to climate change challenges. It also forms part of the foundation of building a thriving, water-sensitive city,' said the Executive Mayor of Cape Town, Alderman Dan Plato.

The City's debt level is at an acceptable rate and the City will continue to follow a conservative approach to loan funding while balancing what investment is required for the metro going forward.

End

Note to broadcasters: audio clip available for download here:

<https://soundcloud.com/ct-media/201118-mayor-urbanwastewaterlo>

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