Governor's Talking Points
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Sustainable Revenue Streams: Financing the Future of Eswatini's Local Authorities and Unlocking Local Government Financing

- Programme Director,
- His Excellency the Right Honourable Prime Minister,
- Honourable Ministers,
- Principal Secretaries,
- Mayors,
- Councillors,
- Representatives of the private sector,
- Development partners,
- Distinguished guests,
- Ladies and gentlemen, Good morning!

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INTRODUCTION

1. I am honoured to have the opportunity to address this distinguished gathering on the topic, **"Sustainable Revenue Streams: Financing the Future of Eswatini's Local Authorities and Unlocking Local Government Financing."**

2. This is not merely a discussion about municipal finances. It is a discussion about how we finance development, unlock economic potential, and build resilient, vibrant and competitive cities that can support Eswatini's long-term growth aspirations.

3. The reality is that strong nations require strong local governments. The quality of our roads, water systems, public amenities, housing developments and urban infrastructure ultimately depends on the financial strength and sustainability of our local authorities. The question before us, therefore, is how we can equip our municipalities with the financial tools, revenue streams and investment mechanisms necessary to meet the demands of a rapidly evolving economy and growing urban population.

4. According to a 2025 report by the African Cities Research Consortium, municipalities across Africa continue to face a persistent mismatch between the rising demand for urban infrastructure and services, and the financial resources available to local governments.

5. This mismatch is not merely a municipal accounting problem. It affects the quality of life of our people, the competitiveness of our economies and the sustainability of our development.

6. Municipalities are at the front-line of service delivery. They are responsible for many of the services that citizens encounter every day, including waste management, streetlighting and local infrastructure. However, several critical responsibilities, such as health, education, housing and transport, are either shared with or largely controlled by central government.

WHY THIS DISCUSSION MATTERS

7. Distinguished guests, across the continent, urbanisation is accelerating. Populations are growing, businesses are expanding, and expectations from citizens continue to rise. People want better roads, reliable water supply, improved sanitation, digital connectivity, safer communities, affordable housing and modern public services.

8. These expectations are both legitimate and necessary because they are fundamental ingredients of inclusive economic growth.

9. However, while demands continue to increase, municipal revenues often struggle to keep pace. This creates a widening gap between development ambitions and available resources.

10. The challenge before us is therefore straightforward: **How do we finance the infrastructure and services needed for tomorrow's cities using the resources available today?**

THE ESWATINI OPPORTUNITY

11. Ladies and gentlemen, while this challenge is significant, I believe Eswatini is uniquely positioned to transform it into an opportunity.

12. Our urban centres continue to develop and serve as critical hubs of commerce, tourism, industry and innovation. From Mbabane to Manzini,

from Ezulwini to Matsapha, our municipalities are increasingly becoming the centres through which economic activity is generated and sustained.

13. For these centres to realise their full potential, local authorities must possess both the financial capacity and institutional capability to invest in infrastructure that supports growth. Because infrastructure is more than concrete and steel. Infrastructure is economic productivity. Infrastructure is investor confidence. Infrastructure is competitiveness. Infrastructure is jobs. When we invest in infrastructure, we invest in economic opportunity.

MUNICIPAL FINANCE IS AN ECONOMIC GROWTH ISSUE

14. Often municipal financing is viewed as a local government concern. I submit that it is much bigger than that. Municipal finance is ultimately an economic growth issue.

15. Businesses invest where infrastructure is reliable. Investors locate where services are predictable. Tourists visit cities that function efficiently. Citizens prosper where opportunities are accessible.

16. The financial strength of municipalities therefore directly influences the strength of the national economy. For that reason, sustainable municipal financing should be viewed not as a cost but as an investment in our future prosperity.

UNLOCKING NEW SOURCES OF CAPITAL

17. Distinguished participants, one of the most important lessons from global experience is that infrastructure development cannot rely solely on traditional funding sources.

18. Government resources alone will never be sufficient to meet all development needs. We therefore need to broaden the financing toolkit available to municipalities.

19. Fortunately, Eswatini is not short of capital. Our pension funds, insurance companies, banks and other institutional investors collectively manage significant resources.

20. The challenge is not a lack of money. The challenge is creating credible investment opportunities capable of attracting that capital into productive development projects.

21. This is where innovative financing mechanisms become important. These include Infrastructure bonds, Municipal bonds, Public-Private Partnerships, Green finance instruments, amongst others.

22. These mechanisms create opportunities to connect domestic savings with national development priorities. In doing so, they enable infrastructure development without placing unsustainable pressure on public finances.

THE NTSHAKABILI ROAD: A DEVELOPMENT OPPORTUNITY

23. Programme Director, please allow me to illustrate using a practical example. The potential of municipal financing through Public Private Partnership can be realised in the proposed development of the Ntshakabili Road connection to the national highway network.

24. Such a project could be structured as a collaboration between government and private investors, with public authorities providing planning, resettlement of affected communities, policy and regulatory support while

the private sector contributes financing, technical expertise and project delivery capabilities.

25. The benefits extend far beyond improved connectivity. Beyond reducing congestion and improving mobility, the project would enhance tourism access, stimulate property development, improve logistics efficiency and increase the attractiveness of the Ezulwini economic corridor for private investment. It therefore represents far more than the construction of a road. It represents a strategic economic corridor.

26. This is precisely the kind of infrastructure where innovative financing models such as PPPs can deliver.

27. The lesson is simple. Infrastructure should not be viewed only as expenditure. It should be viewed as an investment that generates long-term economic returns.

DEVELOPING MUNICIPAL ACCESS TO CAPITAL MARKETS

28. Ladies and gentlemen, Municipal financing also presents another strategic opportunity. It can contribute to the development and deepening of Eswatini's capital markets.

29. As the country seeks to mobilise domestic savings and expand investment opportunities, municipalities can emerge as an important asset class for investors.

30. Municipal and infrastructure bonds have successfully financed development projects in many countries around the world. These instruments provide investors with long-term investment opportunities

while simultaneously enabling municipalities to access development finance.

31. This creates a mutually beneficial outcome. Investors receive attractive investment opportunities. Municipalities gain access to capital. Communities benefit from improved infrastructure. And the country benefits from stronger economic growth.

BUILDING INVESTOR CONFIDENCE

32. However, distinguished guests, access to finance cannot be separated from governance. Capital flows where confidence exists. Investors require certainty. They require accountability. They require transparency. And they require sound financial management.

33. For municipalities to access long-term financing sustainably, institutional credibility must be strengthened. Revenue collection systems must be robust. Financial reporting must be transparent. Projects must be properly evaluated. Governance standards must be maintained.

34. Strong institutions will always attract capital more easily than weak institutions. Therefore, municipal finance reform is not only about finding money. It is about building confidence.

LEARNING FROM REGIONAL EXPERIENCE

35. Ladies and gentlemen, the experience of municipalities in South Africa and elsewhere offers valuable lessons.

36. The City of Johannesburg became the first South African municipality to issue a municipal bond in the early 2000s, raising long-term funding for

infrastructure projects including roads, electricity, water systems and urban development. The programme demonstrated that municipalities with sound governance and credible revenue streams could successfully access capital markets without relying solely on intergovernmental transfers.

37. The City of Cape Town has used bond issuances and innovative financing structures to support investments in water security projects, electricity distribution networks, transport infrastructure and climate resilience investments. The city of Tshwane issued one of Africa's first municipal green bonds to finance environmentally sustainable infrastructure. Projects included energy-efficiency upgrades, renewable energy initiatives, as well as sustainable transport projects.
38. The lesson for Eswatini is clear: When institutions are trusted, investment follows.

THE WAY FORWARD FOR ESWATINI

39. As we look ahead, several priorities emerge. We must strengthen municipal revenue mobilisation. We must improve governance and financial management. We must create an enabling legal and regulatory framework for municipal financing. We must deepen partnerships with the private sector. And we must continue developing our domestic capital markets.
40. The recent launch of the Eswatini Stock Exchange's *Kwakhanya 2030* strategy reflects a national ambition to develop a more diversified and inclusive capital market ecosystem. Municipal bonds, infrastructure bonds and green bonds could contribute significantly to this vision by expanding

the range of investment products available to institutional and retail investors.

41. All these actions will not only strengthen local authorities but will also support broader national development objectives. Importantly, we must ensure that any future municipal borrowing is undertaken responsibly, sustainably and in a manner that safeguards fiscal stability.

42. The objective is not borrowing for its own sake. The objective is development.

CONCLUSION

43. Ladies and gentlemen, as I conclude, I wish to emphasise that the future of our municipalities cannot be financed using yesterday's solutions alone. The demands of modern urban development require innovation, partnership and vision.

44. The question before us is therefore not whether investment is needed. The investment is undeniably needed. The question is whether we are willing to build the institutions, frameworks and partnerships necessary to mobilise the capital required to support that investment.

45. I am convinced that we can. With sound governance. With prudent financial management. With strong public-private partnerships. And with a shared commitment to national development.

46. We can transform our municipalities into engines of growth, centres of opportunity and drivers of economic transformation.

47. In the final analysis, our task is bigger than financing roads, water systems or municipal projects. **Our task is to finance opportunity. Our task is to finance growth. Our task is to finance the future of Eswatini.**

I thank you all!