



national treasury

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National Treasury
REPUBLIC OF SOUTH AFRICA

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MEDIA STATEMENT

SOUTH AFRICA AND THE AFRICAN DEVELOPMENT BANK SIGN US\$474.6 MILLION DEVELOPMENT POLICY LOAN TO FINANCE THE INFRASTRUCTURE GOVERNANCE AND GREEN GROWTH PROGRAMME

South Africa and the African Development Bank (AfDB) have signed a US\$474.6 million loan agreement aimed at supporting the implementation of the Just Energy Transition (JET). This loan is part of the third Development Policy Operation which includes participation from the World Bank, KfW Development Bank, Japan International Cooperation Agency, and the Organization of the Petroleum Exporting Countries Fund for International Development (OPEC Fund) to support structural reforms to enhance the efficiency, resilience, and sustainability of the country's infrastructure services.

The loan agreement with the AfDB follows the first policy loan concluded in 2023 to support South Africa's Just Energy Transition. This new agreement highlights the importance of South Africa's partnership with the AfDB in advancing South Africa's development agenda. It strengthens efforts to improve energy security measures, accelerate the decarbonization of the economy, and enhance the socio-economic benefits of the energy transition enabling inclusive economic growth and fostering job creation.

The National Treasury wishes to express its appreciation to the AfDB for its continued partnership and support of South Africa's development objectives. This includes efforts to implement critical reforms in the energy and transport sectors, while also advancing the country's Just Energy Transition goals and meeting foreign currency commitments at lower interest rates.

The loan offers favourable concessional financial terms as follows:

Nominal Value:	US\$474.6 million
Maturity:	15 years with 3-year grace period
Interest rate:	Daily SOFR plus 1.22%

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Issued by National Treasury

DATE: 24 July 2025