



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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MEDIA STATEMENT

SOUTH AFRICA SIGNS WORLD BANK LOAN TO SUPPORT METRO TRADING SERVICES REFORM

The Government of South Africa has signed a US\$925 million loan agreement with the World Bank to support the implementation of the Metro Trading Services Reform (MTSR).

The Metro Trading Services Reform is a South African government-led reform programme aimed at improving the governance, financial sustainability and operational performance of municipal trading services in metropolitan municipalities, particularly in water and sanitation, electricity and energy, and solid waste management.

The programme forms part of government's broader efforts to strengthen local government, fiscal integrity, the reliability of basic services, and inclusive economic growth. The financing supports a government-led, performance-based reform programme implemented through South Africa's existing legal, fiscal and institutional framework. It is not general budget support, but financing linked to institutional strengthening and the achievement of independently-verified measurable performance targets, that are approved by metro Councils for their trading services.

"This financing agreement supports a South African reform priority. It is targeted financing linked to implementation, accountability and results," said Minister of Finance, Mr Enoch Godongwana. "Our metros are central to growth, investment and basic service delivery. This reform is about strengthening the systems needed to make those services work better."

Implementation of the programme will proceed in line with the approved reform performance framework.

Loan terms

- Nominal value: US\$925 million
- Maturity: 16 years
- Grace period: 3 years
- Interest rate: SOFR + 1.47%

For enquiries, contact Media@treasury.gov.za

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