

# Treasury secures \$1.6bn in loans to support Just Energy Transition

The National Treasury has secured significant international funding to support the country's Just Energy Transition, a key initiative aimed at balancing economic growth with sustainable energy practices. The funding, which totals approximately \$1.6bn, comes from three major international financial institutions.



Source: SamForson/Pexels

The World Bank has committed to a loan of around \$1bn. In addition, the German state-owned development and investment bank, Kreditanstalt für Wiederaufbau (KfW), is providing approximately \$545m, and the African Development Bank (AfDB) is contributing a further \$300m.

This substantial financial backing will be instrumental in advancing SA's Just Energy Transition, which seeks to shift the country towards more sustainable and environmentally friendly energy sources while ensuring economic stability and growth.



Small business can stimulate economic growth, job creation

20 Nov 2023



"The loans provided by [KfW] and the [AfDB] follow their partnership with the World Bank on the second Development Policy Operation DPO to support South Africa's commitment to the just transition for a low-carbon and resilient economy. These are sovereign loans provided directly to the National Treasury for general budget expenditure purposes," read the media statement.

"The financing facilities from the three development institutions are in line with the National Treasury's funding strategy to diversify its funding mix for international borrowing and access concessional financing instruments offered by the development partners to support government's key reforms under climate change and the electricity sector."

"These facilities also enable the National Treasury to raise funding at very affordable rates which help to reduce the government public debt," Treasury said in a statement."

The department expressed its gratitude to the three institutions.

"These agreements signify and reinforce the excellent collaborative efforts between the Government of Germany, World Bank and AfDB and our government, that has ensured the successful conclusion of the loans," the statement concluded.

For more, visit: <https://www.bizcommunity.com>