



# Standard Bank facilitates the Trans-Caledon Tunnel Authority's first Sustainability-linked loan



## TRANSACTION OVERVIEW

<b>Borrower</b>	Trans-Caledon Tunnel Authority (TCTA)
<b>Guarantor</b>	Government of South Africa
<b>Debt Amount</b>	ZAR600 million (Six hundred million South African rand)
<b>Standard Bank Role</b>	Lender, Facility Agent and Sustainability Agent
<b>Purpose</b>	Water Infrastructure Capital Expenditure
<b>Tenor</b>	Sustainability-linked loan 6 years
<b>Country</b>	South Africa



### Trans-Caledon Tunnel Authority

2021

**ZAR600 million**

Lender, Facility Agent and Sustainability Agent

**Sustainability-linked loan**



**Standard Bank**

## TRANSACTION IMPACT

Standard Bank provided the sustainability-linked loan of R600m as part of a total funding package of R1.5bn which is to be used to fund:

- Phase two of the Lesotho Highlands Water project, a water delivery initiative commissioned jointly by the governments of South Africa and the Kingdom of Lesotho to increase capacity to the Vaal

River System Water Resources Development Project, which supplies the economic hubs and communities of Gauteng, Free State, North West, Northern Cape and Mpumalanga and;

- The AMD Project, which is the short-term and emergency intervention for the acid mine drainage on the Witwatersrand Goldfields.

## KEY HIGHLIGHTS

- Standard Bank acted as Lender, Facility Agent, Sustainability Agent and played a key co-ordination role in the execution of this debt raising exercise.
- A long-term relationship with TCTA and deep understanding of their business together with the strength of our balance sheet and structuring expertise enabled the CST to provide an appropriate and cost effective financing solution to TCTA.
- Bespoke sustainability margin adjustments for the reduction in the consumption of energy, water, consumables and waste generation as well as increased recycling measured against an agreed-upon baseline.
- Speed of execution.

## TCTA OVERVIEW

- TCTA is a major public entity listed in Schedule 2 of the Public Finance Management Act of South Africa and a specialised water management institution as defined in Chapter 10 of the NW Act.
- It performs the functions (mainly funding and implementation of water resources infrastructure projects) that it is directed to perform by the Minister of Human Settlements, Water and Sanitation and is required to manage and account for each function separately.
- TCTA assists the government in its pursuit of water security for South Africa and in realising its constitutional obligation of ensuring universal access to this essential resource for all citizens.
- Its key projects include LHWP, AMD, BRVAS, BERG, KOMATI, KRIEL, METSI BOPHELO, MOKOLO, MOOI MNGENI, OLIFANTS, MWP, VRESAP and VRS.

## Alignment with UN SDGs



“The importance of improving water infrastructure and increasing supply for economic growth and prosperity of communities cannot be understated. That’s why our partnership with Standard Bank is an exciting one as it will enable us to fund key projects that address one of the development challenges facing various areas in the country: water supply.” Nhlanhla Nkabinde, Executive Manager for Project Finance & Treasury at TCTA.

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