

**NATIONAL ASSEMBLY**

**224. The Leader of the Opposition (DA) to ask the President of the Republic:**

Whether the Government will utilise funds loaned from the China Development Bank in its Infrastructure Fund; if not, where will the funds be sourced from; if so, what (a) amount in funding will be loaned from the China Development Bank and (b) will be the terms and conditions of the loan? NW1183E

**REPLY:**

(a) - (b) The Infrastructure Fund is expected to utilise funds from International Finance Institutions (IFIs), including the China Development Bank (CDB), as well as other Development Finance Institutions (DFIs) and private sector institutions. Work on the design of the Infrastructure Fund is continuing, involving the National Treasury, the Development Bank of Southern Africa (DBSA) and the Presidential Infrastructure Coordinating Commission (PICC).

As indicated above, consideration will be given to source funding from number of IFIs, DFIs and private sector institutions.

Government has committed R100 billion to the fund over ten years as a subsidy to leverage both private sector and development finance funding for well planned projects. This seed capital will be funded through reprioritisation or additional borrowing but may also include guarantees. There is R5 billion in the existing Medium-Term Expenditure Framework for this purpose. Adequate processes to enable borrowing on a competitive basis from multilateral institutions (such as World Bank, New Development Bank, Chinese Development Bank) already exist. The intention will be to access technical assistance that comes with concessional loans both for purely social infrastructure and for blended finance projects with social and economic elements.

The decision on the funding mix, and terms and conditions of the loan will be determined by several factors. Therefore, it would be premature to indicate what the loan amount would be and the terms and conditions of the loan.