

ANNEX: IPG Spending Progress Update 3 December 2025

The current pledge now stands at \$10bn, while other bilateral JET pledges mobilised to date lifts this sum to \$12.4bn, and pledges from multi-lateral development banks (MDBs) brings the total to \$13.7bn.

Approximately \$3.8bn has been allocated to date.

Breakdowns of allocated projects across funding types, portfolios etc can be found on the JET Project Management Unit's updated finance register [here](#).

Below we provide some projects updates since the [2024 Leaders Update](#) in each of the categories outlined in the South Africa Just Energy Transition Investment Plan (as amended by the Implementation Plan – which added Road to Rail and Energy Efficiency):-

Electricity

The IPG continues to support projects in renewable generation, storage and trading.

KfW (Germany), along with the World Bank, African Development Bank and others, have signed a third Development Policy Operation with National Treasury to support South Africa's commitment to the just transition for a low-carbon and resilient economy.

KfW have agreed a €200m Energy Sector Reform Programme loan facility for the Development Bank of South Africa (DBSA), centred on investments in renewable energy, energy storage systems, grid infrastructure and green hydrogen projects. Building on the energy sector reforms that KfW supported via its policy-based loans, it is hoped that this credit line will enable catalytic investment in the grid, enabling the expansion of renewable energy projects currently hampered by lack of grid access.

KfW have also signed a landmark €150m loan to the City of Cape Town, alongside a grant of €0.5m, which will be used to bolster the city's power grid, allowing the transmission of more renewable energy.

GuarantCo (part of the Private Infrastructure Development Group (PIDG) which makes up an element of the United Kingdom pledge) and British International Investments (BII) have provided \$100m of guarantee financing to Etana Energy, a South African energy trading company. This is designed to unlock new renewable energy capacity by providing independent power producers (IPPs) with the revenue certainty they need to break ground on new renewable energy projects.

Globeleq, a 70% subsidiary of BII and 30% Norfund (Norway's Development Finance Institution) has reached financial close on the 153MW Red Sands battery storage facility, which will be the largest standalone battery storage system in Africa.

Technical support also continues, particularly to support South Africa to implement its wholesale electricity market. For example, Denmark's Energy Agency is drawing on their experience from the Danish context to build capacity through their programme with Eskom and the National Transmission Company of South Africa (NTCSA) as well as the Department of Electricity and Energy (DEE) and its subsidiaries (including the National Energy Regulator of South Africa - NERSA). This covers regulation, power market development, energy planning and procurement models. The UK are supporting the Energy Council of South Africa on the next phase of the Electricity Reform Roadmap, which seeks to identify and unblock key barriers to wholesale electricity market reform in South Africa through close engagement with key decision-makers within the South African electricity sector.

GIZ (Germany) has supported the NTCSA on the operationalization of the market operator, the industry consultation process for their proposed market code and the launch of the South African Wholesale Electricity Market (SAWEM) school. In addition, they have supported Operation Vulindlela (a joint initiative by the Presidency and National Treasury) and the National Energy Crisis Committee (NECOM) on a host of reform topics including wheeling and net billing.

The European Union should launch the JETP Technical Assistance Facility in Q1 2026 (tender process ongoing). The Facility will support South Africa's ongoing power sector reform and modernization, by strengthening the institutional, policy, and regulatory frameworks governing the electricity market (including support to the DEE, NTCSA, Eskom and NERSA). It will support the unbundling of Eskom, enhancing transmission and distribution planning, and promoting renewable energy integration, energy efficiency, and distributed generation. The Facility will also help design investment frameworks and financing mechanisms to attract private sector participation in grid infrastructure and clean generation.

Germany has committed another €11 million for technical support in advancing the country's transition to a reliable, affordable, and clean energy future for 2026 to 2029.

Green hydrogen

KfW signed a €17 million Memorandum of Understanding (MOU) with the Industrial Development Corporation (IDC) to support the commercialisation of South Africa's green hydrogen economy.

For technical support on the development of green hydrogen and battery value chains, the EU is planning to commit €21.5 million and Germany €6 million for 2026 to 2030.

The European Union is supporting the Hive project, to establish South Africa's first ever green ammonia plant. This support comes under the Green Hydrogen blended facility 'Climate Investor 3' (contract signed with FMO, the Dutch Development Bank, with €25 million attributed for South Africa and Namibia), with €2.4 million mobilised from the EU

for the HIVE project. Invest International (Netherlands) also contributed €50 million through Climate Fund Managers to the Climate Investor 3 fund. Hive received funding through the fund.

In its first call for strategic projects under the EU Critical Raw Materials Act, the European Union selected one strategic project in South Africa - the Zandkopsdrift project led by Frontier Rare Earths. It is now one of the largest, most advanced rare earth projects under development outside of China. It is expected to result in the lowest cost production of magnet rare earths and battery grade manganese outside of China.

New energy vehicles

From 2026, Germany will support electrification in the vehicle sector with €5 million in technical assistance.

The UK will be providing technical support to the New Energy Vehicle Secretariat situated in the IDC; and will be supporting the Department of Trade, Industry and Competition (DTIC) with the development of South Africa's battery value chain policy framework.

Municipalities

The IPG supports the South African Government's priority on improving municipal distribution infrastructure. Both Germany and France are working closely with the World Bank on the development of the Metro Trading Services programme which will respond to the institutional capacity needs of eight major metros, enabling substantive interventions in response to deteriorating infrastructure services (water and sanitation, waste and electricity).

The UK also continues its Municipal Utility Reform programme, working with 4 municipalities in Mpumalanga to improve both water and electricity infrastructure.

GIZ has now supported 140 licensed municipal distribution utilities with submitting their cost of supply studies, as well as assisting municipalities in implementing effective energy management systems and offering tailored training and knowledge exchange formats.

The UK is providing early-stage preparation support to six intermediary municipalities to capacitate them to procure embedded generation projects, harnessing the DBSA's project preparation pipeline support.

The Netherlands (through Invest International) supported the Alternative Waste Treatment Technology Project in Johannesburg with a grant of €27.5m. This project will divert 500,000 tonnes of waste from landfills annually (about 31% of Johannesburg's annual waste), and convert residual waste into 28 megawatts of electricity, enough to power 60,000 households.

Just

The IPG acknowledge the importance of ensuring those impacted by the transition are supported.

Recognising the difficulties small and medium-sized enterprises (SMMEs) and pre-commercial farm businesses in Mpumalanga have in securing investment, the UK has approved an innovative blended finance facility. This is blending £2m to unlock agri-lender investment for farm businesses in Mpumalanga. It is hoped that this model can be scaled and applied to other areas.

Germany are working directly with more than 25 small businesses and communities in the Mpumalanga coal belt in a co-creating and bottom-up approach, including around the Komati power station and other power stations to be decommissioned. Beyond this, Germany is supporting the Mpumalanga Green Cluster Agency in attracting investment and advancing the green economy transition. Through the Just Transition SMME Facility and SMME Loop, it also provides technical support to boost local manufacturing and promote green business models.

The European Union has awarded three grants to civil society organisations. These grants will support public-private partnerships and advocacy work in Limpopo, Mpumalanga and Kwazulu-Natal to roll out initiatives for skills development and business start-ups in renewable energy sectors such as solar, as well as to empower women and youth to actively participate in South Africa's transition to a green economy.

The UK's Climate Finance Accelerator provides capacity building support to low-carbon businesses to put them in the best position to attract financiers. Two standout successes demonstrate the programme's impact in mobilising private capital. Wetility, a leading provider of smart solar and storage solutions, secured ZAR 500 million to scale its embedded generation model for households and businesses. Similarly, Carbon Charge (Charge Zero) attracted ZAR 100 million to expand its EV charging infrastructure and carbon credit platform, accelerating decarbonisation in transport while creating new revenue streams for clean mobility.

The UK's Growth Gateway programme also continues to provide support to SMMEs in Mpumalanga, mobilising over \$1m of investment in 4 SMMEs.

Learnings from the IPG's SMME programmes are being collated and shared amongst donors, with the aim of understanding common challenges and pioneering collective solutions to crowd in investment.

Germany has pledged an additional €4m for a new project to help strengthen societal participation in the energy transition, in-line with the JETP aim of ensuring co-benefits to the transition. The project is being implemented by GIZ in close collaboration with the DEE and the Independent Power Producers Office (IPPO). It will work to strengthen the

socio-economic and enterprise development requirements and community ownership requirements of the independent procurement programmes. Additionally, it will support the development and implementation of improved consultation processes with communities and citizens around renewable energy projects, as well as the identification and implementation of more impactful socio-economic development measures. The project will also pilot new forms of (financial) participation in the energy transition, testing social ownership models of renewable energy and employee share ownership programmes for replication and scale.

Progress continues on the Netherlands-funded project at Grootvlei power station, where construction of the Grootvlei Horticulture Expertise Facility is now underway. The goal is to create alternative employment opportunities and foster socioeconomic development through sustainable climate smart and water efficient agriculture, specifically horticulture. The greenhouse will be equipped with modern production and control facilities for practical demonstration and training. By providing vocational training, applied research, and demonstrations of modern greenhouse technologies, the project aims to develop skilled workers, farm managers, and agricultural entrepreneurs in the region.

Through the project 'Transforming Youth Skills in South Africa', Denmark has supported the training of 20 teachers and 10 schools in Mpumalanga to establish student-run green enterprises, equipping young people with practical skills for employment and entrepreneurship in the transition beyond coal.

Skills

The European Union joined forces with Germany and Switzerland to support the implementation of the JET Skills Portfolio this year. The multi-donor funding includes €15m from the EU, complementing €12.5m from Germany and €5.2m from Switzerland. It aims to strengthen the Technical and Vocational Education Training (TVET) and skills development systems at the Department for High Education and Training (DHET) and offer skilling and employment opportunities in emerging green industries to those impacted by the energy transition. Implementation of the JET Skills desk was further enabled through France's policy loan.

The UK are supporting the implementation of South Africa's Renewable Energy Masterplan (SAREM). This includes the launch of a new platform – PowerUp - designed to ensure that South Africa's renewable energy workforce is equipped with the right skills to meet industry needs. The PowerUp platform connects industry with training institutions and facilitates the development of new qualifications. It aims to address critical skills gaps and create pathways to employment within the renewable energy value chain.

Road to Rail

The European Union has announced a €350 million loan from European Investment Bank (EIB) to Transnet to renew and modernise its freight rail, ports, and pipeline infrastructure, supporting a shift from road to rail, the development of the green hydrogen value chain, and the integration of renewable energy and energy efficiency measures. The loan will be accompanied by a €21 million grant from the European Union to Transnet on project preparation and implementation, including project pipeline development and implementation.

France is also engaging with Transnet with a view to providing loan financing to support the state-owned enterprise's decarbonisation plans.

Energy Efficiency

The Mitigation Action Facility, supported by Germany, the UK, Denmark and the EU, continue to support public sector institutions to identify, develop, and implement large-scale energy efficiency projects throughout their buildings and infrastructure using an energy performance contracting mode. To date, three municipalities have been supported to develop large scale bankable projects. Two of the projects will be tendered for implementation by the Energy Service Companies and the financial mechanism is in place to support the financing at the IDC.

In January, Denmark initiated a collaboration between the City of Johannesburg and the City of Copenhagen on improving energy efficiency in public buildings in Johannesburg, to improve the indoor climate and save energy and money for both the city and tenants of public buildings.

The UK has provided blended concessional finance together with the IFC for financial intermediaries in South Africa to expand their green building portfolios through the Market Accelerator for Green Construction (MAGC) Programme. This aims to encourage lending for commercial properties which are energy efficient and meet EDGE (Excellence in Design for Greater Efficiencies) standards. By leveraging MAGC, financial institutions can scale lending for EDGE-certified projects, accelerating the shift toward sustainable construction and climate-smart infrastructure.

The above is not an exhaustive list of IPG projects. Detail of projects and investments can be found in the JET finance register [here](#).

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