ANNEX: IPG Projects Update

This document provides an update on the progress of IPG projects since the 2025 Leader's 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, Energy Efficiency and the South Africa Renewable Energy Masterplan).

Breakdowns of allocated projects across funding types, portfolios etc can be found on the JET Project Management Unit's Investment Register here.

Electricity

Following a landmark loan to the City of Cape Town last year, in May 2026 KfW (the German state-owned development bank) announced the conclusion of a €200m concessional loan with the City of Johannesburg to finance critical electrical infrastructure investments. This agreement represents one of the largest concessional development finance facilities extended to a South African municipality and forms a centrepiece of the city's JET programme.

AfD, the French Development Agency, and the National Transmission Company of South Africa (NTCSA) signed a memorandum of understanding to establish a two-year peer to peer technical co-operation programme between RTE International and NTCSA. This is supported through a €650k grant and enables Eskom and NTCSA to benefit from RTE's technical expertise and shared learning.

British International Investment (BII), the UK's Development Finance Institution made a $43m commitment to renewable asset investment management firm Revego Africa Energy Fund. The funding will allow Revego to expand its portfolio of renewable energy projects, laying the groundwork for a more liquid and accessible secondary market to mobilise institutional capital and bridge the funding gap in South Africa's energy sector.

Germany (via KfW) and the UK (via Financial Sector Deepening Africa and the Private Infrastructure Development Group) are supporting the development of South Africa's flagship Credit Guarantee Vehicle to de-risk private investment in the transmission grid through the Independent Transmission Project (ITP) Programme. The vehicle was registered and incorporated in August 2026.

Technical assistance to capacitate key institutions also continues. The South Africa German Energy Programme (SAGEN) continued to support the Department of Electricity and Energy (DEE), the National Energy Regulator of South Africa (NERSA) and NTCSA in the operationalisation and implementation of the South African Wholesale Electricity Market. This included support for the Electricity Sector Market Transition Paper, providing a foundational policy blueprint for a structured reform process. It serves as the official "rules of engagement" for unbundling South

Africa's power sector. It has also identified technical bottlenecks and prioritised support for grid performance, system stability and flexibility for the years to come.

The third phase of the Danish Energy Partnership Programme concluded in 2026, covering regulation, power market development and liberalisation, unbundling, energy planning, and procurement models. One of the recently conducted activities undertaken was the support to NERSA on the developments required for the implementation of the Electricity Regulation Amendment Act, including the Market Operator license conditions and the Market Code, as well as knowledge sharing on pricing and tariff reforms.

Through the Danish Energy Agency’s global partners, Brazilian experts joined the Minister of Electricity and Energy, the DEE, the Independent Power Producers Office (IPPO), and key partners for a three-day high-level workshop to share insights on policy, regulation, ownership, and budgetary considerations for the ITP.

In August 2026, Denmark launched phase four of the partnership programme (SADEPP, $12 million) anchored within the DEE. This programme aims to build institutional capacity across the DEE, Eskom, NERSA, and the IPPO and other key partners, to support the ongoing market reforms, including pricing and tariff reforms, as well as planning and operation for enhanced system integration of renewable energy.

Concurrently, the Wind Atlas of South Africa Phase 4 ($2.25 million) began constructing wind measurement masts in Limpopo and Mpumalanga, with the aim of increasing data availability in these regions and supporting the de-risking of wind energy developments in these provinces.

The EU Technical Assistance facility is supporting policy and regulatory framework, institutional capacity and the investment climate across energy and electricity, climate governance and green hydrogen.

Green hydrogen

The EU, Germany, Denmark and the Netherlands launched two Global Gateway projects at the Africa Green Hydrogen Summit in September 2026. The projects will support green hydrogen production and local value addition in minerals and battery supply chains. €57.8m of funding will target project investment, policy development, private sector participation, research, innovation, skills and access to finance. The two projects will also support job creation and sustainable economic growth by supporting South Africa’s ambitions to translate its renewable energy sources into industrial opportunities.

The Netherlands announced a €2.5 million skills development and PhD programme facility to support Green Hydrogen developments in the Eastern Cape. The Netherlands also provided €2.5m of project development support through the SAH2 fund managed by Climate Fund Managers to the Green e-methanol and fuel

production project (GeFP) which is one of the six GH2 priority projects under the JET PMU.

In September 2026, KfW signed a concessional loan with the Development Bank of South Africa (DBSA) of €200m for a credit line to provide funding for bankable private Green Hydrogen Projects.

New energy vehicles

The Danish Energy Agency has worked with Eskom Distribution to enhance skills and tools to perform advanced capacity mapping of grid infrastructure including demand forecasting. This is with a view to informing distribution network development in support of electrification of transport and EV infrastructure.

The UK Partnering for Accelerated Climate Transitions Programme (UK PACT) has supported the Department of Trade, Industry and Competition (DTIC) with the development of a policy framework and implementation plan for a South African battery value chain, mainly to supply electric vehicle manufacturing but also stationary energy storage. The work aimed to protect and expand automotive jobs, use critical minerals from South Africa and the SADC region, attract investment and support a just, inclusive transition in line with South Africa's climate targets.

Municipalities

In July 2026, the African Development Bank (AfDB) approved a $400m loan to support Municipal Utility Reform in four municipalities in Mpumalanga, backed by the UK's Just Energy Transition Partnership Guarantee and supported by UK technical assistance. The programme aims to improve the quality, reliability and financial sustainability of electricity and water services for around 400,000 households in the selected municipalities. It is expected to reduce greenhouse gas emissions, create jobs, improve municipal governance, and strengthen climate resilience in coal-affected communities.

In July and September 2026, Germany's KfW and France's AfD signed €200m and €100m respectively in concessional loan financing with National Treasury to support the World Bank-led Metro Trading Services Reform (MTSR) programme. The programme aims to turn around electricity, water, sanitation and solid waste management in the country's eight metropolitan municipalities. Germany raised a further €1.5 million in grant funding from the European Commission to support the implementation of the MTSR.

Germany have funded a new municipal JET programme which aims to support the top 20 electricity distribution licenced municipalities over three years to develop capacity and project plans for investment in modernising their distribution infrastructure in preparation for the wholesale electricity market.

This year Germany also launched "Nkangala District Municipality Just Transition programme" with Nkangala and NBI to improve municipal capability and investment readiness of priority projects.

Investment required to deliver the energy transition at municipal level includes the need to improve household energy access and affordability. An Innovate UK project is piloting the use of basic solar energy grants across five Cape Town settlements which will electrify up to 1,500 households. In doing so it will provide findings and policy inputs to DEE's Universal Access Strategy review and the City of Cape Town's energy strategy.

Just Transition

In January 2026, Eskom together with the Netherlands and the Mpumalanga provincial government, launched the Grootvlei Smart Horticulture Centre at the Grootvlei power station. The centre demonstrates how repurposed energy-related infrastructure can support future-oriented economic activities beyond the energy sector, focussed on practical training, skills development and value-chain development in climate-smart horticulture.

Agripreneuers from the local community are participating in the Agripreneur development programme which will be scaled up. In November 2026, the Netherlands is organising a water-food nexus mission with 15 Dutch companies participating, also focussing on scaling up Grootvlei and attracting FDI to South Africa.

Germany has assisted with strengthening small businesses, promoting economic diversification and broadening public engagement. For example in Komati, a project implemented by Indalo Inclusive engaged more than 170 stakeholders, co-created five community enterprises and added 21 jobs.

Germany's SME Loop provided business training to more than 200 enterprises in Mpumalanga. In October 2026, the MSME facility was launched to help businesses prepare investment-ready projects and access financing, alongside JET-SET to support community awareness and green, inclusive enterprises around four coal power stations, complemented by research on labour market policy, just transition project development and tagging, and economic diversification in Komati.

A new Just Transition podcast and accompanying radio interviews expanded access to discussions on the just transition, including for audiences without access to online video platforms.

The EU awarded three further grants focused on 1) improving career opportunities for women and youth through solar skills training, 2) entrepreneurship and business incubation, and 3) capacity development and training in Mpumalanga and Limpopo.

Skills

Germany have continued to deliver a broad portfolio of skills programmes in support of South Africa's transition including with a particular focus on gender and youth participation. This includes training for the launch of the JET Skills Desk and support for the launch of the Skills Development Zones in Mpumalanga and the Northern Cape. Through the Career Path Development for Employment programme, 2661 young people have received training to improve their transition into employment, and 444 women entrepreneurs have participated in business support measures to leverage the opportunities of the transition. Through the C-suite women in energy programme, women leaders in South Africa's energy sector have gained international perspectives and insights on leadership and development through study tours and mentorship.

In January 2026 a grant agreement of €10m was signed between Germany's KfW and the South African Renewable Technology Center (SARETEC) to support the Skills for a Green and Just Energy Transition Programme.

Road to Rail

In May 2026, France signed a €300m loan agreement with Transnet, South Africa's state-owned freight logistics company, to support the decarbonisation of South Africa's freight sector and strengthen Transnet's operational sustainability. The loan will enable the company to shift more freight from road to rail, explore new areas such as green hydrogen and transition minerals logistics, prepare for renewable energy procurement, and strengthen its environmental, social and governance capabilities.

Energy Efficiency

Denmark is funding an ongoing Strategic Sector Collaboration between the City of Johannesburg, City Power and the City of Copenhagen. This year the key intervention is to develop a business case that will enable City Power to improve the energy efficiency of the city's 270,000 street lights, and piloting an Energy Management system that will enable City Power to monitor and manage consumption 24/7.

SAREM

UK PACT supported the DEE, the DTIC and the Energy and Water Sector Education and Training Authority (EWSETA) to implement the South African Renewable Energy Masterplan (SAREM). The programme strengthened renewable energy skills development through the PowerUp workforce-matching platform, helping connect employers, training institutions and job seekers while expanding technical support and industry adoption.

It also produced a suite of market intelligence reports, investment propositions and sector briefs covering renewable energy, electric vehicles, critical minerals and green manufacturing, supporting investment attraction and industrial development. In

addition, the project provided direct support to the SAREM Project Management Office, implemented catalytic interventions, promoted stakeholder engagement, and developed a renewable energy value chain database profiling more than 90 South African manufacturers.

The above is not an exhaustive list of IPG projects. Detail of projects and investments can be found in the JET Investment Register.