

Joint Media Statement

by The European Union, the Ministry of Electricity and Energy and the
Department of Trade, Industry and Competition

Attention: All Media, Editors and Journalists
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Global Gateway: European Union supports South Africa's Green Hydrogen ambitions

The European Commissioner for Energy Kadri Simson, South Africa's Minister for Electricity and Energy Kgosientsho Ramokgopa and Minister of Department of Trade, Industry and Competition Parks Tau have announced two European Union grants to the sum of R628mil (€32 mil) in support of South Africa's green hydrogen agenda.

The first, a R490mil EU grant is expected to leverage R10bn in private and public sector finance across the hydrogen value chain, covering production, transportation, storage and downstream industries.

A second EU grant of R138mil to assist Transnet in its turn-around strategy, is expected to leverage additional funding for the green transformation of its core operational areas, including ports, rail, pipeline, engineering and related facilities.

Commissioner Simson expressed her support: "The announcement today marks a significant milestone in the European Union's partnership with South Africa, and shows the EU Global Gateway strategy in action, boosting smart, clean and secure connections in the energy and transport sections. Our cooperation in support of South Africa's green hydrogen agenda aims to accelerate the green transition, drive sustainable development, create new economic opportunities, and build a more sustainable future for the region."

This partnership between the European Union and South Africa focuses on efforts to build more renewable energy infrastructure, improve energy efficiency, and promote sustainable practices. By investing in clean energy projects and providing technical expertise, the European Union and its Member States support South Africa in making the most of its green potential, promoting sustainable economic development and directly benefiting South Africans.

1. EU R490mil (€25 mil) contribution to leverage infrastructure investments along the green hydrogen value chain

The aim of this contribution is to facilitate and accelerate the efforts of the government of South Africa in the development of a sustainable green hydrogen sector. The main objective is to increase investments in green hydrogen infrastructure and contribute to:

- reducing global greenhouse emissions, notably in sectors where this is particularly challenging, and

- promoting local development and economic growth by creating jobs, providing water treatment, and increasing access to (green) energy.

The European Union's R490mil (€25 mil), to be channelled through an EU Member State financial institution, is designed to leverage substantial additional funding and investment across the hydrogen value chain from the point of production to transportation and storage, and downstream industries.

Through the development of sustainable green hydrogen value chains, the European Union contribution will seek to increase local value addition and, thereby, to support South Africa to move up higher in these value chains. Also, it will support efforts toward the creation of a regional green hydrogen hub in the Southern Africa region.

2. EU contribution to AFD-Transnet Green Hydrogen project

This project's main objective is to support the development of a green hydrogen ecosystem in South Africa. To this end the project's beneficiary, Transnet, will receive assistance to achieve its net zero emissions by 2040 goal.

The project will support activities around Transnet's core operational areas (ports, rail and pipeline, engineering and facilities) related in particular to:

- executing studies (market, legal and feasibility studies as well as impact assessments) and pilot projects focused on the production and storage of low-carbon hydrogen, and
- mobilising technical assistance to structure Transnet's green hydrogen strategy and allow for the scaling up of green hydrogen projects in South Africa.

Transnet, as an integrated transportation and logistics company, is expected to play a critical role across the hydrogen value chain for its operations as well as domestic and export markets. The grant will help contribute towards ensuring that Transnet meets its own internal commitments as well as Government's initiatives relating to the Hydrogen Society Roadmap.

The European Union's R138 mil (€7 mil) grant will be channelled through AFD.

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Background:

[Global Gateway](#) is the European strategy to boost smart, clean and secure connections in digital, energy and transport sectors, and to strengthen health, education and research systems across the world.

Global Gateway is fully aligned with the UN's Agenda 2030 and its Sustainable Development Goals, as well as the Paris Agreement.

Global Gateway aims to mobilise up to €300 bn in investments.

Through a 'Team Europe approach', Global Gateway will bring together the EU, its Member States and their financial and development institutions to mobilise the private sector to leverage investments for a transformational impact.