

	<p>Total estimated cost: EUR 26 000 000</p> <p>Total amount of EU budget contribution EUR 26 000 000 of which:</p> <ul style="list-style-type: none"> <li>- EUR 20 000 000 for budget support and</li> <li>- EUR 6 000 000 for complementary support</li> </ul>
<b>MANAGEMENT AND IMPLEMENTATION</b>	
<b>13. Implementation modality</b>	<p><b>Direct management</b> through:</p> <ul style="list-style-type: none"> <li>- Budget Support: Sector Reform Performance Contract</li> <li>- Procurement</li> </ul> <p><b>Indirect management</b> with the entity(ies) to be selected in accordance with the criteria set out in section 4.4.2.</p>

## 1.2 Summary of the Action

The energy transition in South Africa is poised to have significant social and economic repercussions, given the nation's heavy reliance on coal. To mitigate the negative impacts of this transition on coal-dependent communities and associated economic sectors, it is imperative to ensure that the process is gender responsive, equitable and inclusive. Central to this objective is equipping affected individuals with the necessary skills and economic opportunities to not only preserve their livelihoods but to enhance them and enable them to participate in the shift to the production or services of other energy forms, like renewable energy, or the development of CRM value chains. In addition, special attention must be paid to not create, exacerbate or perpetuate gender-related inequalities and segregation and to promote a just transition for all without leaving anyone behind. This approach is particularly critical in a context marked by high unemployment rates and widening inequality.

The proposed action represents a strategic contribution by the European Union (EU) to South Africa's efforts in managing a smooth and equitable energy transition. By supporting workers, youth and women in accessing new opportunities within the green economy, the EU seeks to facilitate the creation of sustainable and decent employment. Additionally, the proposal aims to establish an enabling environment for the implementation of the Just Energy Transition, with a particular focus on (but not limited to) the provinces most directly impacted. This includes fostering a conducive financial and institutional framework to drive the effective transformation towards a green energy sector, also by linking in relevant Erasmus + projects aiming at enhancing employability in the field of renewable energies and those developing a university-wide culture of entrepreneurship and innovation)

These enabling measures — centered on decent job creation, capacity building, good governance and support to public finance management—are integral to the EU's broader approach to supporting South Africa's Just Energy Transition (JET). They are aligned with the prioritization of critical value chains and the overall goal of achieving a sustainable, gender-transformative, inclusive, and transformative shift in South Africa's energy landscape.

This action will consist of two pillars: (1) budget support and (2) complementary support aimed at enhancing governance and public finance management instrumental to the implementation of JET-P (Just Energy Transition Partnership).

- Pillar 1: Contribution to the Jobs Fund (a specific JET window) through a sector performance reform contract (SRPC). The Jobs Fund is directly managed by the National Treasury, which has also committed (approximately) ZAR 400 million annually (approx. EUR 20 million) while the EU is pledging an additional similar amount for the duration of the programme (60 months).
- Pillar 2: Governance, PFM and Green Finances related monetary policies as complementary support.

## 1.3 Zone benefitting from the Action

The action will be implemented in the Republic of South Africa included in the list of ODA recipients. For the main part (budget support) of this action, the final beneficiaries will be located in the provinces and municipalities most affected by the Just Energy Transition. The geographic focus will be mainly, but not exclusively, on the four provinces of the North-South Corridor: KwaZulu-Natal, Mpumalanga, Gauteng and Limpopo. The complementary measures are mostly oriented towards the public finance management (PFM) and will have a national outreach.