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ANNEX 1

to the Commission Implementing Decision on the financing of the annual action plan in favour of the Republic of South Africa for 2025

Action Document for the Sustainable Development of Strategic Value Chains: Critical Raw Materials, and Green Hydrogen and its derivatives

ANNUAL ACTION PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Sustainable Development of Strategic Value Chains: Critical Raw Materials, and Green Hydrogen and its derivatives OPSYS number: ACT-63021 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	Yes A Just and Green Recovery and Jobs for the Future South Africa
3. Zone benefiting from the action	The action shall be carried out in all the provinces in South Africa, with a focus along the North-South Corridor (KwaZulu-Natal, Mpumalanga, Gauteng, and Limpopo)
4. Programming document	Republic of South Africa - Multi-Annual Indicative Programme 2021-2027 and Multi-annual Indicative Programme for Sub-Saharan Africa 2021-2027 (Regional MIP)
5. Link with relevant MIP(s) objectives / expected results	From MIP : Priority Area 1: A Sustainable, Job-Intensive and Greener Economic Growth SO1: To promote sustainable, job-intensive and greener economic growth From Regional MIP : SO1: To promote sustainable, job-intensive and greener economic growth RIP priority Area 4 on Digital and Science, Technology and Innovation (STI) of the Regional MIP by boosting Africa's STI capacity for risk-informed, evidence-based and inclusive development in the green transition sectors/areas. Specific Objective 2: Enhance the effective use of Science, Technology and Innovation (STI) for sustainable development in Africa.
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	A sustainable, job-intensive and greener economic growth: Industry (DAC: 321 & 322)

7. Sustainable Development Goals (SDGs)	Main SDG (1 only): 9 (Industry, Innovation and Infrastructure) Other significant SDGs (up to 9) and where appropriate, targets: 7 – Affordable and Clean Energy 8 – Decent Work and Economic Growth 17 – Partnerships for the Goals 13 - Climate Action 12- Responsible consumption and production			
8 a) DAC code(s)	DAC 32120 – Industrial development - 70% DAC 32182 – Technological Research and Development - 30 %			
8 b) Main Delivery Channel	<i>Recipient Government – 120000,</i>			
9. Targets	<Please, indicate (if relevant) to which target(s) (including NDICI-Global Europe Regulation, INTPA and EU targets) this action is contributing to (indicatively)> <input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	

	digital governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	/
	digital entrepreneurship	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	digital skills/literacy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	digital services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): 14.020122 Total estimated cost: EUR 55 000 000 Total amount of EU budget contribution EUR 55 000 000 This action is co-financed in joint co-financing by: The Government of Germany for an amount of EUR 6 000 000.			
MANAGEMENT AND IMPLEMENTATION				
13. Implementation modality	Direct management through grants. Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 4.4.2. Indirect management The contribution to the Africa Investment Platform shall be implemented in indirect management by the entity(ies) indicated in the Appendix 3 to this Action Document, in accordance with the Africa Investment Platform's award procedure.			

1.2 Summary of the Action

A key tenet of the EU-South Africa Strategic Partnership is centred around overarching objectives of reducing dependencies and building more robust, resilient and shock-proof economies. The win-win partnership we pursue is based on an understanding of the EU's need to secure diversification and resilience of EU'S clean tech supply chains including raw materials and energy for its green and digital transitions, and of South Africa's ambition to integrate more firmly, and move up higher, in global supply chains.

Global Gateway investments and a potential Clean Trade and Investment Partnership (CTIP) are central to these objectives. In South Africa, those are geared towards contributing to the just energy transition (JET) through a focus on strategic cleantech value chains, notably value chains of critical raw materials and green hydrogen and derivatives. These are at the core of the JET Implementation Plan and are considered crucial for South Africa's green industrialisation and new growth model. The focus on CRM sets the basis of a potential increased offtake by the EU in support of the green and digital transitions as well as a potential future downstream manufacturing of associated products.

The intervention logic for this Action is therefore the strategic support of (a) critical raw materials (CRM) and (b) green hydrogen value-chains in South Africa through a comprehensive 360° approach. These value chains align with and advance the EU's Global Gateway strategy, European Green Deal, Critical Raw Materials Act, strategic corridors,

and AAP 2023 – Support to South Africa’s just energy transition (which, amongst other elements, place emphasis on social protection measures and policies). They are also integral to the Just Energy Transition Partnership (JET-P) Implementation Plan and central to South Africa’s green industrialization and new growth model. The Action addresses the MIP 2021-2027 objectives of promoting sustainable, job-intensive, greener economic growth and contributes to SDGs 7, 8, 9 (primary) and 12, 13, 17.

Implemented via the Team Europe approach, this initiative underscores the EU’s commitment—alongside its member states and European Development Finance Institutions (EDFIs)—to support South Africa’s JET-P goals through a whole-of-government approach. The Team Europe Initiative (TEI) ‘Just and Green Recovery’ serves as the primary framework, complemented by the TEI ‘Jobs for the Future South Africa’, which focuses on youth skilling for jobs in net-zero energy technology value chains.

Components of the Action:

Infrastructure/Investment Component:

This component focuses on local processing (upper and midstream) of critical minerals to advance the green and digital transitions. It will be implemented via a blended finance operation, led by a pillar-assessed European Development Finance Institution, and potentially reinforced by EU guarantee instruments under the EFSD+ Open Architecture or EIB dedicated windows. The proposed blending operation (i.e investment facility) will support project preparation opportunities and the development of an investment-ready project pipeline. EU interests will be safeguarded through governance arrangements to be negotiated with the implementing partners at the stage of contract negotiation. Compliance with South African and European environmental safeguards procedures will be assured as well as social impact and climate risk assessments during the implementation phase of the programme.

Soft-package component:

Strengthen South Africa’s CRM and green hydrogen and its derivatives value-chains, trade and investment environment and; grow its skills, research and innovation base by:

- Enhancing policy frameworks through regulatory cooperation, supporting the harmonisation of standards with the EU.
- Promoting environmentally sustainable technologies in the implementation of projects would be strongly promoted
- Strengthening private sector collaboration and access to finance.
- Building capacity and driving research, innovation, and sustainability leveraging EU programmes such as ERASMUS+ and Horizon Europe.

These activities align with ongoing Global Gateway infrastructure projects funded through the SA bilateral and SSA RIP envelopes respectively.

Overarching Objectives:

The Action seeks to reduce dependencies and foster resilient, shock-proof economies. It reflects the EU-South Africa partnership, addressing the EU’s need for sustainable raw materials and energy supplies for its green and digital transitions, as well as the need to safeguard the competitiveness of its green technology industries, while supporting South Africa’s ambition to integrate into and ascend global value chains.

South Africa is uniquely positioned to drive this agenda due to its:

- Natural resources: Vast reserves of critical minerals (e.g. Platinum Group Minerals for green hydrogen, manganese, lithium, nickel) and abundant solar and wind energy.
- Manufacturing capacity: The largest on the continent, with strengths in finished and semi-finished products like automotives and equipment.
- European presence: The EU is South Africa’s largest trading partner and investor, with 22 resident member states accredited and over 1,000 European companies operating locally.

Green Hydrogen Focus:

Green hydrogen is pivotal for expanding South Africa's renewable energy capacity and advancing its hydrogen economy. The country's significant renewable resources, expertise in various technologies and access to PGMs for electrolyzers position it to become a leading global supplier in the green hydrogen market. This also enables South Africa to establish new value chains in CRMs, crucial for the global net-zero transition. The focus on green hydrogen and derivatives is also linked to EU interests, ie. the contribution to domestic decarbonisation through investments of EU companies and export of EU based technology, goods and services (ie. electrolyser supply-chains) as well as for the potential use for export back to the EU (ie. green ammonia or e-SAF). In this sense, cooperation is required with South Africa on regulatory convergence to recognise the green hydrogen character, also for purposes of exports to the EU, as well as on renewable energy and electricity grid investments, key inputs for green hydrogen production.

Cooperation on ports and infrastructure improvement is key for both green hydrogen and CRM value-chains.

1.3 Zone benefitting from the Action

The Action shall be carried out in the Republic of South Africa, included in the list of the ODA recipients, in the context of the regional CRM value chain. Where possible, the geographical focus of the Action will be on the North-South corridor (Durban-Lubumbashi).

2 RATIONALE

2.1 Context

South Africa's abundant renewable energy resources and potential position it as a prime location for green hydrogen production. Green hydrogen, created using additional renewable energy, has the potential to decarbonize key and hard to abate industries such as transport, steel, and chemicals. At the same time it will contribute to decarbonise the extraction and processing of CRMs. Developing this sector requires a robust value chain encompassing renewable energy generation, green hydrogen production, storage, distribution, and use, including derivatives like methanol, ammonia, and sustainable aviation fuel.

A robust Green Hydrogen sector also includes resolving the water and electricity/energy supply issues that the country faces. This is why the national government and key stakeholders in the country have prioritized (amongst others) to resolve these issues and, in recent months key infrastructure maintenance and upgrades regarding both electricity/energy and water supply has commenced and progressed in South Africa.

South Africa is establishing itself as a global green hydrogen hub, attracting international investments and partnerships that promise economic growth, reducing reliance on fossil fuels and supporting EU and global objectives such as the significant scale up of SAF, including e-SAF for which green hydrogen is necessary – hence referred to as green hydrogen derivative, the large-scale transition of air transport towards SAF and e-SAF

The country also holds significant reserves of essential minerals, including platinum group metals (PGMs), vanadium, chromium, nickel, and manganese, critical for industrial processes. It has significant unexploited clean energy potential, and modern technology. While mining remains central to South Africa's economy, addressing challenges such as infrastructure deficits, lack of skilled labour, environmental and social concerns, and global supply chain volatility is essential for sustainable growth. Strategic investments in mining technologies, processing, and refining infrastructure can enhance local value addition and maintain the country's competitive edge in global markets.

The automotive sector, contributing 5% of GDP and 15% of export earnings, faces a challenge as the EU and UK ban internal combustion engines by 2035. Transitioning to EV production, including developing a local battery supply chain, or integrating the sector through sourcing batteries in the EU, is crucial for South Africa to continue preferential exports to these regions. Currently dominated by seven manufacturers, including four European firms, the sector's transformation will require significant investment and innovation.

The Just Transition (JT) Framework sets out a socially equitable path to phasing out fossil fuels while promoting green industrialization. The objective of the Just Energy Transition Partnership (JETP) is decarbonisation shifting South Africa's energy sector away from coal towards cleaner sources of energy. The JETP emphasizes job creation and economic growth in new energy technologies, including through mineral beneficiation. The 'de-fossilization' of heavy industry (a significant GDP contributor) via green hydrogen, the large-scale transition of air transport towards SAF and e-SAF and the automotive sector's shift from internal combustion engines to electric vehicles (EVs), including battery manufacturing, are seen as central to the just energy transition by government, trade unions, and industry stakeholders.

Globally, demand for green hydrogen and its derivatives is rising, with significant investment volumes—around €560 billion—planned for large-scale projects. However, only 4% of announced projects have reached the Final Investment Decision (FID) stage or are under construction. To overcome the competitiveness gap with fossil fuels, Europe, and parts of Asia have introduced market ramp-up programs, quotas, and CO₂ pricing mechanisms.

Recognizing these trends, South Africa approved its Green Hydrogen Commercialisation Strategy in October 2023, building on the 2021 Hydrogen Society Roadmap. The strategy aims to secure a competitive market position and supply up to 10% of leading import markets such as the EU, Japan, and South Korea. Initiatives like the HySA (Hydrogen South Africa) research network, the Green Hydrogen Corridor agreements among provinces, and discussions with Namibia to extend the corridor underscore the collaborative approach required for success. On a municipal level, the City of eThekweni launched a Regional Hydrogen Strategy to position itself as a major producer and consumer of low-carbon hydrogen and derivatives.

South Africa's pipeline includes around 25 hydrogen and Power-to-X (PtX) projects valued at over €15 billion. Several projects are nearing the end of their feasibility phases, while others have been designated as Strategic Integrated Projects (SIPs) to receive administrative and permitting support. Notably, the Boegoe Baai Green Hydrogen Project in the Northern Cape, developed by SASOL and the Northern Cape Economic Development Agency (NCEDA), aims to establish an export hub for green hydrogen and ammonia, potentially creating over 25,000 jobs.

The development of green hydrogen and critical raw materials value chains offers South Africa a pathway to sustainable economic growth. These industries can contribute to address the triple challenges of unemployment, inequality, and poverty while diversifying global supply chains to enhance strategic autonomy for low-carbon technologies. Realizing this potential will require targeted infrastructure investments, technological innovation, workforce training, and sustainability practices.

Economic Growth and Job Creation:

South Africa's National Development Plan (NDP) prioritizes economic growth, green and decent job creation, and industrialization. Developing sustainable value chains for critical raw materials and green hydrogen can generate new employment opportunities, particularly in mining, renewable energy, and manufacturing, while securing European investments in sectors like renewable energy and CRM. This aligns with the JETP, to which the EU is a founding partner, and the EU's Global Gateway investments.

Climate Action and Energy Transition:

South Africa's Integrated Resource Plan (IRP) and JETP Investment Plan emphasize accelerating renewable energy adoption to enhance energy security and meet Paris Agreement targets. The EU's Green Deal depends on critical materials like PGMs, vanadium, lithium, and cobalt, and green hydrogen, while the Clean Industrial Deal will focus on supporting EU clean technology supply chains, making this partnership mutually beneficial. Enhancing mineral processing and value addition aligns with EU goals for circularity and supply chain resilience. The Nationally Determined Contribution (NDC) under the Paris Agreement identified various technologies and infrastructure to support energy efficiency, transmission and green hydrogen through the development of small, medium and micro-enterprises, including energy service companies, to implement innovative technologies and create sustainable employment.

Global Partnerships and Trade:

The EU's hydrogen strategy promotes a global hydrogen market, while South Africa's commercialization strategy aims to capitalize on export opportunities. Partnerships along these value chains allow South Africa to benefit from European expertise, technology, infrastructure investments, and market access. Collaboration in critical raw materials value chains improve trade relations, ESG compliance, and supply chain autonomy.

Green hydrogen and critical raw materials value chains present a transformative opportunity for South Africa to drive industrialization, energy security, and green and decent job creation while contributing to the EU's green economy and clean industrial deal goals. Strengthening these partnerships will unlock shared economic, technological, and environmental benefits, fostering sustainable growth and resilience for both partners.

2.2 Lessons learnt

Clear Government Policy and Vision

A coherent and business friendly government policy is essential to attract investment and ensure alignment across sectors such as skills development, infrastructure, trade, and energy. The Action will continue to provide recommendations and support policy development, ensuring alignment for both green hydrogen and critical raw materials (CRM) with broader policy areas like trade, R&D, and industrial policy.

Energy Provision, Security, and Additionality

Green hydrogen's energy demands offer an opportunity to address South Africa's energy crisis by driving renewable energy (RE) investments and additional capacity. CRM deployment for decarbonisation should prioritize climate action by integrating renewable energy into mining and processing. The Action will promote additional RE capacity as a prerequisite for green hydrogen and CRM development while supporting local industrialisation and value addition.

Strategic Partnerships

Collaboration among government, the private sector, research institutions, and international partners has been critical in advancing green hydrogen and will be equally important for CRM value chains. European companies, as South Africa's largest foreign investors and trade partners, can drive benefits through offtake agreements and joint ventures in green hydrogen technology generation, derivatives exports and battery technologies. The Action will support partnerships, knowledge exchange, and innovation to advance both value chains.

Job Creation and Socioeconomic Development

Both value chains offer opportunities to secure existing jobs and create new ones, especially in regions rich in renewable resources. Aligning with South Africa's just energy transition goals, the Action will support skills development, sustainability, and piloting community development toolkits for co-benefits and public acceptance.

Integration with Global Supply Chains

Green hydrogen and CRM are closely tied to global markets, particularly exports to regions like Europe. However, the development of local markets to reduce export dependencies is equally critical. Establishing local applications for decarbonization will require strategic incentives, pilot projects, and policy coherence. The Action will facilitate global trade, align infrastructure planning, and promote domestic applications.

Technology Uncertainty and Scale-Up

Technological advancements in electrolyzers and battery chemistry create uncertainty about the future commercial potential of South Africa's CRMs. Sustained R&D investments are needed to commercialize new technologies and

maintain momentum. The Action could support public and private R&D, linking research with industry and exploring opportunities through programmes such as Horizon Europe.

Cooperation with Civil Society

Engaging civil society is critical, particularly in a context of historical mistrust. Capacity development and communication have improved awareness of green hydrogen and should extend to CRM. The Action will embed knowledge within civil society organizations to foster meaningful dialogue and mitigate implementation risks.

Effective Communication

Clear communication on the socio-economic, environmental, climatic and technological impacts of CRM and green hydrogen projects is vital. Transparent strategies and expert-led communication will enhance public understanding and support. The Action will work closely with stakeholders to ensure effective and inclusive communication.

Financing and Investment Challenges

Green hydrogen and CRM projects require substantial upfront investment and face uncertainties related to infrastructure, market demand, and off-take, and technology. South Africa's high cost of capital further exacerbates these challenges. The Action will address financial and technical de-risking through grants, feasibility support, technical analysis, and investment promotion activities to create a conducive environment for both value chains.

The lessons learned from CRM and green hydrogen existing initiatives provide valuable insights for value-chain development. The proposed Action will leverage these lessons to drive policy alignment, partnerships, local and global market integration, R&D, and public engagement. Through strategic de-risking and investment facilitation, the Action aims to establish sustainable, inclusive value-chains that contribute to South Africa's energy transition, economic growth, and resilience.

2.3 Problem Analysis

Challenges and Opportunities in Green Hydrogen and derivatives and CRM Ecosystems

Despite progress, several challenges persist in developing South Africa's green hydrogen and critical raw materials (CRM) ecosystems:

Dynamic Global Market and Investment Uncertainty:

Rapid changes in trade, industry, and technology create uncertainties for South Africa's positioning in the global market for PtX products, batteries, and electric vehicle manufacturing. Competing with East Asian suppliers on price alone is challenging, necessitating a value proposition based on supply chain resilience, transparency, and adherence to environmental, social, and governance (ESG) standards.

Renewable Energy (RE) Expansion:

In 2021, renewables held a 6% share of the total energy supply and 17% in the installed electricity capacity. South Africa requires an additional 100 GW of RE capacity for green hydrogen production, alongside 190 GW for electricity decarbonisation by 2050. Aging energy infrastructure, insufficient generation capacity, and high capital costs hinder progress. Electricity sector reforms and aligned regulations, standards, and certifications are essential to attract investment and ensure international trade compatibility.

Underdeveloped Business Models:

Many private-sector business models for green hydrogen and derivatives, PtX products, CRM, and battery precursors lack commercial viability, hindered by high capital costs, limited offtake agreements, and insufficient government support. South Africa's low credit rating increases production costs by 40–50% compared to developed countries, necessitating blended financing approaches.

Capacity and Coordination Gaps:

Public-private coordination has improved, but poor integration remains a challenge. Provincial governments, new companies, and civil society actors lack access to information and resources for effective decision-making. Ensuring local benefits and community involvement is critical for project success and public acceptance.

Gender Inequality:

The Constitution prohibits unfair discrimination on the basis of gender, but various challenges still persist. The policy establishes a clear vision and framework for gender mainstreaming across laws, policies, procedures and practices and advocates for equal rights and opportunities for women and men in all spheres and structures of government, as well as in the workplace, the community and the family. Government institutions and bodies are required to implement gender mainstreaming as part of their mandates through their Gender Focal Points.

Despite the legal framework, various gender imbalances are noted. Many racial and ethnic groups have maintained traditional gender roles, such that women usually have less power than men. Gender disparities also continue against women in terms of access to formal employment and productive resources, such as arable land, credit and technology. While South Africa has achieved near universal access to primary education, female access is still a concern. Women typically also face the consequences of gender norms and the unequal division of labour, predominantly due to their role as unpaid caregivers within the family and community. Women constitute 42.9% of the workforce compared to 57.1% of men and they are also underrepresented in decision-making. These factors illuminate some of the causes exacerbating gender gaps and the plight of women in the economy¹.

Women remain underrepresented in technical professions within the energy sector and industries reliant on green hydrogen and its derivatives. Promoting women in decision-making and specialist roles is essential to creating an inclusive green economy.

Core Problem

South African actors lack the capacity, coordination, and tools to establish a dynamic CRM and green hydrogen ecosystem that supports viable projects and advances a just energy transition.

Stakeholder Roles and Engagement

The proposed action will involve key stakeholders across government, industry, academia, civil society, and finance to address these challenges:

- Government Departments: Key players include the Department of Energy and Electricity, Department of Minerals and Petroleum, Department of Trade, Industry and Competition, including the gender focal point of these institutions and the Department of Women, Youth and People with Disabilities and the independent Commission for Gender Equality. These entities will drive policy alignment, infrastructure development, and public-private collaboration.
- The Presidency: The Presidency will coordinate public sector efforts, streamline program delivery, and facilitate private sector cooperation and financing.
- Industry, Universities, and Research Institutions: Stakeholders such as the Council for Geosciences, CSIR, MINTEK, SANEDI, mining companies, and battery manufacturers will support advancements along strategic value chains, boost economic growth, and foster innovation.

¹ [Gender-Analysis-Energy-Sector-In-South-Africa-Validated-Report-November-2023.pdf](#)

- Civil Society and Trade Unions: Local CSOs and labour representatives will play a critical role in policy formulation, grassroots advocacy, and ensuring socio-economic benefits for communities as well as women's human rights organisations, CSO working on gender equality and women's empowerment, youth organisations. Efforts will prioritize inclusion and sustainability:
- Finance and Investment Partners: European and local development finance institutions and banks will facilitate investment and de-risking for viable projects, bridging gaps in infrastructure and financing.
- International Partners: Collaboration with international organizations like UNIDO and JETP partners will enhance knowledge sharing and capacity building.
- South Africa has an internationally acknowledged, longstanding track record in environment assessment at strategic and project levels, high level environmental research institutes and required technical capacity in consultancy to implement these procedures. This capacity will have to be expanded for new technologies and industrial processes, to guarantee the CRM and green hydrogen development process will not result in unintended negative developments.
- EU academia and research institution. EU research institutions are already collaborating in SA for example the cooperation under the Catalyst Research for sustainable Kerosene. Synergies with research institutions would be pursued when possible, under this action.
- EU private sector

Community and Civil Society Engagement

Engaging local communities is essential to ensure project acceptance, foster socio-economic development, and build trust. The EU Delegation will use structured dialogue platforms to involve civil society, youth, and local communities in shaping and implementing programs. These efforts complement existing CSO initiatives under the Just Energy Transition framework.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The overall objective of this action is to support the development of South Africa's critical raw materials and green hydrogen and derivatives value-chains, contributing to South Africa's just transition to a green economy.

This will strengthen global supply chain diversity, better integrate EU and South African value chains, enhance South Africa's strategic role in these sectors, facilitate European investments in these critical industries, and support global decarbonisation efforts to combat climate change.

The **Specific Objectives** (Outcomes) of this action are to:

- 1 Strengthening South Africa's Critical Raw Materials (CRM) and green hydrogen and derivatives value-chains through holistic wrap-around support to foster an enabling environment through policy reform, trade and investment facilitation, and increasing capacities (including on gender) and capabilities in skills, research, innovation and sustainability activities.
- 2 Increase investments in responsible CRM and potentially green hydrogen and derivatives value-chains through the deployment of blended financing solutions.

The **Outputs** to be delivered by this action contributing to the corresponding Specific Objectives are

- 1.1 Contributing to **Specific Objective 1**: Increased number of policies, strategies, regulations, codes and standards that foster an enabling environment for investments, trade and industrialisation of hydrogen and CRM value-chains have been developed and/or adopted.
- 1.2 Contributing to **Specific Objective 1**: Expand skills-base of responsible CRM and green hydrogen and derivatives value-chains,

- 1.3 Contributing to **Specific Objective 1**: South Africa has strengthened its research and innovation ecosystem for the Hydrogen and CRM value-chains through increased research and innovation opportunities, and international collaborations.
- 2.1 Contributing to **Specific Objective 2**: CRM and potentially green hydrogen and derivatives projects (project developers, financial institutions and public stakeholders) have been supported in reaching bankability and implementation (project de-risking, facilitating access to funding, knowledge transfer).
- 2.2 Contributing to **Specific Objective 2**: Improvement in access to European markets of South African hydrogen and CRM value-added goods.

3.2 Indicative Activities

Activities related to Output 1.1:

- Facilitating dialogues, workshops, and seminars with government, private sector and civil society to ensure inclusive and transparent consultations on green hydrogen and CRMs
- Provide technical expertise for studies mapping activities and policy reviews aimed improving existing policies,
- Identify regulatory and policy gaps and support South Africa in the production of new legislation, policies, strategies, codes and standards aimed at improving its global competitiveness and trade facilitation with the EU.
- Facilitate and strengthen trade mechanisms and agreements to support European offtake of CRM from South Africa to diversify supply chains and enhance their resilience
- Support the development and consistent application of environmental, social and governance criteria as part of South Africa's value proposition on the international market

Activities related to Output 1.2:

- Support strategic national research and innovation programmes such as the Presidential PhD Programme aimed at increasing the number of doctoral graduates, this activity will create opportunities for scholars and researchers in fields related or relevant for the strengthening of green hydrogen and CRM value-chains
- Develop and/or support skilling and training initiatives for government and private sector decision and change-makers, capable of supporting the development of CRM and green hydrogen value-chains.

Activities related to Output 1.3:

- Support CRM and geoscientific research and innovation international collaborations aimed at leveraging data and technology for mapping, exploration and prospecting
- Foster partnerships between research institutions and the private sector to drive the commercialisation of new CRM and Green Hydrogen innovations, standards (including environmental where applicable) and technologies
- Promote and facilitate research and innovation investments to enhance sustainable and responsible extraction and beneficiation activities including access to testing and prototyping infrastructures for emerging actors in the hydrogen and CRM industries

Activities related to Output 2.1:

- Support the provision of project preparation services through technical assistance, access to finance and studies
- Support the development of a pipeline of bankable green hydrogen and CRM projects of mutual EU and SA interest in South Africa to enable investment and expansion through European and local DFIs, and other like-minded international partners

Activities related to Output 2.2:

- Market access activities such b2b matchmaking events, information sessions and workshops
- Trade and investment promotion initiatives involving mineral processing, and energy actors from South Africa and the EU completed

Under all outputs, study tours and meetings could also be organised in the EU including in cooperation with EU Member States (i.e through TAIEX programme)

The commitment of the EU's contribution to the Team Europe Initiative to which this action refers, will be complemented by other contributions from Team Europe members. It is subject to the formal confirmation of each respective member's meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

3.3 Mainstreaming

Environmental Protection & Climate Change

This action will mainstream environmental protection, climate change, gender inclusivity, and socio-economic growth by focusing on the development of green hydrogen and critical raw materials (CRMs) value chains. Leveraging South Africa's abundant renewable energy resources, the action will promote the decarbonisation of key industries such as transport, steel, and chemicals while ensuring sustainable extraction and processing of CRMs, aligning with global low-carbon supply chain priorities and contributing to the global green energy transition. The action will embed a Just Energy Transition approach, prioritising equitable growth, green and decent job creation, and sustainable industrialisation. Strategic investments in renewable energy infrastructure and advanced mining technologies, will drive South Africa's transition to a green economy while building competitiveness in global markets.

Outcomes of the SEA screening (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that key environmental and climate-related aspects need be addressed during design and implementation.

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project)

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

The specific interventions to be carried in the pilot sites may be Category A (EIA will be undertaken), Category B (for which an EIA will be undertaken) or Category C (not requiring an EIA, but for which environment aspects will be addressed during design). This will be assessed and addressed during implementation.

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment).

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that gender equality will play a prominent role in the implementation of the activities foreseen under Specific Objective 1, and under outputs 1.3 and 1.4. Wherever possible, the Action endeavours to enhance the participation of women and girls in the value chains for green hydrogen and critical raw materials to advance economic transformation, including from the outset of their development, including with due regard for women's and girls' differentiated needs from policy making, business development, investment, and capacity building. All indicators on capacity development will have a gender marker to ensure that participants are equally addressed, and all monitoring data will be disaggregated by

gender. Where possible, all capacity development formats will address specific issues with particular relevance to women, and wherever suitable offer additional formats for women-only participants to ensure that gender empowerment can be actively pursued. The action will actively engage with CSO organisations working with women and with women-led organisations to ensure they can meaningfully participate in the different components of the intervention.

The action will contribute to the implementation of the Gender Action Plan III and its thematic objective to ensure women, men, girls and boys, in all their diversity, can equally participate in 1) economic and social rights and empowerment, 2) equal participation and leadership, and 3) green and digital transformations.

Human Rights

The Actions shall ensure the integration and realisation of human rights throughout its actions. The HRBA will be promoted as a working methodology, ensuring meaningful and inclusive participation, non-discrimination and equality as well as accountability and transparency.

To ensure a meaningful 360 degree/RBA approach, AAP 2025 for South Africa focused on promotion of labour demand (through value chain promotion), as well as measures focused on labour supply (i.e. skills and activation measures) may be complemented, when possible, by support to i. social protection policies/measures to provide income support to both those affected by job losses, or communities suffering any negative impact of the green transition; as well as to ii. labour policies to ensure the newly created jobs are decent (i.e. with good labour conditions and social insurance). Complementary support can be mobilised through thematic cooperation such as the ongoing facility on employment and social protection SOCIEUX+ or the upcoming regional programme under the TEI for social protection in SSA, that presents important complementarities.

Disability

As per the OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that the Action does not principally aim to specifically advance the inclusion of people with disabilities, although individuals with disability might be among beneficiaries of this Action. Whenever possible, the Action will contribute to making visible the situation of persons living with disability by using indicators disaggregated by disability status, and by promoting the collection and use of disaggregated data for policymaking.

Reduction of inequalities

As per the Inequality Marker, this action is labelled as I-0. As the action is specifically focussed on value chains, no objectives to reduce inequalities have been set, however, whenever possible, the Action will maintain active cognisance of the potential for certain activities in contributing towards reducing inequalities.

Democracy

The Action shall contribute towards the promotion of the principles of democracy and shall ensure that good governance principles are intensively applied throughout the Action's implementation.

Conflict sensitivity, peace and resilience

As per the OECD Conflict, security, peace and resilience codes identified in section 1.1, this action is labelled as D0. But its activities could help support stability and resilience.

Disaster Risk Reduction

The action does not directly address situations of disaster risk reduction; however, the interventions may indirectly assist with the mitigation and response to the effect of climate related disasters.

Other considerations if relevant

None

3.4 Risks

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Implementation	Lack of willingness to cooperate and support green hydrogen and CRM as an industrialisation opportunity by the partners involved	Low	High	Demonstrate good practices, job opportunities and employment potentials; step-by-step engagement and trust-building with partners; intensify technical advice and process consulting
	EU companies/suppliers not benefitting enough from the implementation.	Medium	High	Promote the use of EU technology and standards, offtake agreements with EU companies, regulatory convergence with EU to enable exports to EU market
	Investments are not made or are delayed	Medium	High	Provision of recommendations and proposals for the reduction of investment barriers; intensify technical advice and process consulting
	Green Hydrogen sector compromised due to risks associated with water and energy supply	Medium	High	Intensify technical advice and process consulting in order to support efforts underway in resolving these issues
Institutional support and political	Reluctance of decision makers to embrace far-reaching reforms and/or address policy incoherence	Medium	Medium	Capacity building for decision makers; supporting the political partners in developing suitable narratives and communication measures; Facilitate stakeholder coordination and consensus building
	Sudden changes or inconsistencies in government policies or regulations, particularly those affecting hydrogen, mining, or environmental standards (eg	Medium	Medium	Monitoring and exchange of information on achievement of objectives in cooperation with key stakeholders; monitoring of GH2 and CRM project landscape and, H2/PtX market

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
	push back on reducing reliance on coal or adoption of trade restrictive measures)			
Environmental and social	Increased pressure on natural resources	Medium	Medium	Programme design aiming for early identification of risks and taking appropriate early risk assessment and mitigation action. Build capacities for environmental and social impact assessment
	Resistance from civil society and affected communities	High	Medium	Make optimal use of existing environmental procedures in South Africa for information disclosure and public involvement. Regular communication and coordination with, and active involvement of, local communities to ensure active participation.
External environment	Changes in technology pathways negatively affect the value proposition of South Africa (e.g. reduced demand projections for green hydrogen derivatives, changes in battery chemistry that reduce reliance on minerals processed in South Africa)	Medium	High	Regular contextual analysis, continuous assessment of the viability of specific business models, structured dialogues with industry leaders, flexibility in the support for policy and capacity building measures
	Changes in industrial policies of key markets and sourcing criteria of dominant downstream market participants	Medium	High	Regular contextual analysis, continuous assessment of the viability of specific business models, structured dialogues with industry leaders, flexibility in the support for policy and capacity building measures
External Environment	Inability to identify local DFI with ability to partner EU entrusted entity	Low	High	Ongoing cooperation to ensure full compliance with EU delegation during due diligence

3.5 The Intervention Logic

The intervention logic for this action is rooted in a comprehensive 360-degree approach that combines hard infrastructure with soft components. This strategy aims to position South Africa as a global hub for green hydrogen and critical raw material (CRM) value chains by leveraging its mineral wealth and industrial capacity. It will also

strengthen the integration of EU and South African value chains and attract investments in green hydrogen and CRM sectors through enhanced policy dialogue, regulatory cooperation, capacity building, innovation, sustainability, and transformative industry pilots.

Mining remains a cornerstone of South Africa's economy and a driver of its transition towards a decarbonized, net-zero economic model. The government prioritizes building a more sustainable and responsible system that maximizes local value addition and advances South Africa's position higher in global value chains. This ambition is well-founded, given South Africa's vast mineral reserves, including the world's largest resources of platinum group metals (87.7%), manganese (80%), and chromium (72.4%), along with other minerals essential for the green and digital transitions. The country also has expanding capabilities to process these resources into precursor materials for the energy and other sectors.

Additionally, growing demand in the renewable energy industry in both South Africa and the EU positions these sectors as potential anchor off-takers. Meanwhile, the EU's Critical Raw Materials Act aims to diversify and secure the EU's CRM supply while promoting sustainable economic development of CRM value chains in partner countries, aligning with this initiative's objectives.

3.6 Logical Framework Matrix

This indicative logical framework constitutes the basis to design more detailed logical framework matrix(-ces) at contracting which will be used for monitoring, reporting and evaluation. The logical framework matrix(-ces) at contract level should include relevant indicators identified in this section.

The expected outputs and related indicators (with baselines and targets) may be updated during the implementation of the action, no amendment being required to the Financing Decision.

In case baselines and targets are not available for the action at the time of adoption of the Financing Decision, they should be provided for each indicator at signature of the contract(s) linked to this Financing Decision, or in the first progress report at the latest. New columns may be added to set intermediary targets for the output and outcome indicators whenever relevant.

PROJECT						
Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	The overall objective of this action is to support the development of South Africa's critical raw materials and green hydrogen and derivatives value-chains, contributing to South Africa's just transition to a green economy.	1. % increase in CRM and Green Hydrogen and derivatives value-chain investments in South Africa 2. % increase in RDI investments in South African CRM and GH2 value-chains 3. % increase in EU-SA trade of value-added CRM and green hydrogen goods. 4. Improved alignment between South Africa policy environment with global standards, codes and policies	TBD	TBD	1 National strategies and sectoral masterplans (to be defined in the inception phase) 2 Investment data	<i>Not applicable</i>
OUTCOMES						

Outcome 1	Strengthening South Africa's CRM and green hydrogen and derivatives value-chains through holistic wrap-around support to foster an enabling environment through policy reform, trade and investment facilitation, and increasing capacities and capabilities in skills, research, innovation and sustainability activities	1.1. An increase in the number of policies, strategies, regulations, codes and standards related to hydrogen and derivatives and CRM value-chains developed and/or adopted that are aligned with EU policies has been achieved				
		1.2. Growth in South Africa's skills-base for CRM and Green Hydrogen and derivatives value-chains has been achieved	1.1 0	1.1 tbd	1.1 Progress reports for the EU-funded intervention	Policy makers and stakeholders have an interest in the development of these value chains, working with the EU on this, and of implementing necessary reforms or regulation.
			1.2 0	1.2 tbd	1.2 Country Reports/Policy Reviews	
		1.3. South Africa's research and innovation ecosystem for the CRM and green hydrogen value-chains has grown through increased research and innovation opportunities and investments, and international partnerships	1.3 0	1.3 tbd	1.3 Project documentation	Partner organisations have sufficiency staff and capacity to implement the measures.

Outcome 2	Increase investments of shared EU – SA interest in CRM and potentially green hydrogen and derivatives value-chains through the deployment of blended financing solutions in partnership with European and South African DFIs.	<p>2.1 Increase in the number of bankable CRM and green hydrogen and derivatives projects of shared EU – SA interest supported has been achieved</p> <p>2.2 Increase in South African CRM and green hydrogen value-added goods exported to European markets is achieved</p>	<p>2.1 TBD</p> <p>2.2 TBD</p> <p>2.3 TBD</p>	<p>2.1 TBD</p> <p>2.2 TBD</p> <p>2.3 TBD</p>	M&E methodology to be determined	
OUTPUTS (for an action implemented as a project)						
Output 1.1 relating to outcome 1	Increased number of policies, strategies, regulations, codes and standards that foster an enabling environment for mutual South Africa and EU investments, trade and industrialisation of hydrogen and CRM value-chains have been developed and/or adopted	<p>1.1.1 Number of Dialogues, workshops, and seminars with government, private sector and civil society green hydrogen and CRM value-chains facilitated through EU support</p> <p>1.1.2 Number of technical studies, mapping activities and policy reviews completed through EU support</p>	<p>1.1.1.</p> <p>1.1.2.</p>	<p>1.1.1.</p> <p>1.1.2.</p>	<p>1.1.1.</p> <p>1.1.2.</p>	

Output 1.2 relating to outcome 1	Expand skills-base of CRM and green hydrogen and derivatives value-chains	1.2.1 Number of doctoral graduates and scholars supported in CRM and green hydrogen and derivatives sectors supported through this action				
		1.2.1 Number of skilling and training initiatives for government officials, private sector decision and change-makers, capable of supporting the development of CRM and green hydrogen value-chains supported through this action	1.2.1. 0 1.2.2. 0	1.2.1. tbd 1.2.2. tbd	1.2.1. tbd 1.2.2. tbd	

Output 1.3 relating to outcome 1	<p>South Africa has strengthened its research and innovation ecosystem for the Hydrogen and CRM value-chains through increased research and innovation opportunities and international collaborations</p>	<p>1.3.1 Number of GH and CRM research and innovation international activities and collaborations aimed at leveraging data and technology for mapping, exploration and prospecting supported through this action</p> <p>1.3.2 Number of partnerships between research institutions and the private sector to drive the commercialisation of new CRM and Green Hydrogen innovations and technologies supported through this action</p> <p>1.3.3. Total value (ZAR) of research and innovation investments including access to testing and prototyping infrastructures for emerging actors in the hydrogen and CRM industries facilitated</p>	<p>1.3.1. 0 decision makers trained by the action</p> <p>1.3.2. 0 Innovation and research initiatives supported</p> <p>1.3.3. ZAR0 invested in R&D</p>	<p>1.3.1. 300 decision makers trained</p> <p>1.3.2. 3 Innovation and research initiatives supported</p> <p>1.3.3 ZARXX invested in R&D</p>	<p>1.3.1. Training documentation</p> <p>1.3.2. Initiative's annual reports, websites</p> <p>1.3.3 project progress reports</p>	
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Output 2.1 relating to outcome 2	<p>CRM and potentially green hydrogen and derivatives projects of shared EU – SA interest (project developers, financial institutions and public stakeholders) have been supported in reaching bankability and implementation (project de-risking, facilitating access to funding, knowledge transfer)</p>	<p>2.1.1 Number projects developed through project preparation services, technical assistance, access to finance through this action</p> <p>Or</p> <p>Number of proposals for bankable investment projects of shared EU – SA interest accepted by financing institutions and/or private investors.</p> <p>2.1.2 A pipeline of bankable green hydrogen and CRM projects in South Africa that corresponds to shared EU – SA interests has been developed</p>	<p>2.1.1 tbd</p> <p>2.1.2 TBD</p>	<p>2.1.1 tbd</p> <p>2.1.2 TBD</p>	<p>2.1.1 Partners communication tools on public policies (official websites)</p> <p>2.1.2 Project partner's documentation</p>	
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Output 2.2 relating to outcome 2	<p>Improvement in access to European markets of South African hydrogen and derivatives and CRM value-added goods and Improvement in access to SA market of EU project developers, technology providers and goods suppliers</p>	<p>2.2.1 The role and participation of the private sector in the development of green hydrogen and CRM value-chains through market access activities such b2b matchmaking, information sessions and workshops is enhanced</p> <p>2.2.2 Number of trade and investment promotion initiatives involving mineral processing, and energy actors from South Africa and the EU completed</p> <p>2.2.3 Number of projects developed by EU companies and/or using EU goods, services and technology</p>	<p>2.2.1 0 projects supported</p> <p>2.2.2 TBD</p> <p>2.2.3 TBD</p>	<p>2.2.1 TBD in inception phase</p> <p>2.2.2 TBD</p> <p>2.2.3 TBD</p>	<p>2.2.1 Project documentation (agenda, content, participant lists)</p> <p>2.2.2 Partner's communication material on investment promotion initiatives (websites, print)</p>	
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4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with the Republic of South Africa.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 120 months from the adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending the relevant contracts and agreements.

4.3 Implementation of the Budget Support Component

N/A

4.4 Implementation Modalities

The Commission will ensure that the EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures².

4.4.1 Direct Management (Grants)

The action will include two grants: one (describe under 4.4.1.1) will to implement output 1.2 and another one (described under 4.4.1.2) to implement output 1.3

4.4.1.1 Grants: (direct management)

(a) Purpose of the grant

A grant will contribute to the implementation of outputs 1.2 of the action by strengthening the research and innovation capacities required to galvanise green hydrogen and CRM value-chains. This will be achieved through the enhancement of South Africa's skills base, increased capacity for research, technology, and innovation, greater investment in these areas, and stronger support for emerging entrepreneurs.

(b) Type of applicants targeted

The Presidential PhD Programme implemented by the National Research Foundation (NRF) is aimed at increasing the production of doctoral graduates is a critical policy priority outlined in South Africa's National Development Plan (NDP: 2012). The NDP sets ambitious targets to graduate 5,000 PhDs annually and ensure that by 2030, 75% of academic and research staff at universities hold doctoral qualifications.

This Action will target strategic research and innovation opportunities that strengthen South Africa's green hydrogen and critical raw material (CRM) value chains. Administered as an augmentation to an existing smaller research grant committed to the PPP, this award will significantly enhance the impact and effectiveness of the support provided to the partnership.

² www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

(c) Justification of a direct grant

The recourse to an award of a grant without a call for proposals is justified because grant beneficiary is the mandated body for the implementation of the Presidential PhD Programme (PPP).

The National Research Foundation (NRF) is a government mandated legal public entity under the National Research Foundation Act (No. 23 as amended in 1998) with the exclusive mandate of implementing the Presidential PhD Programme, and therefore a direct award is justified in accordance with article 198 (c) of the Financial Regulation.

4.4.4.2 Grants: (direct management)

(a) Purpose of the grant

The purpose of this grant is to implement output 1.3 of the action by supporting collaborative activities between Geological Surveys or networks of Geological Surveys, and the Council for Geoscience (CGS), with a focus on the skilling of decision-makers and professionals in the sector as well as the collection, curation, and integration of fundamental geoscience data to develop knowledge-based applied solutions. These solutions will contribute to specific objective 1 addressing Output 1.3 in key areas such as minerals and energy, water and environmental management, land-use planning, and the development, protection, and resilience of critical infrastructure

This grant will be specifically embedded in the regional action “The Pan-African Support to the EuroGeoSurveys – Organisation of African Geological Surveys (EGS-OAGS) Partnership (PanAfGeo)” aimed at training geoscientific staff from African Geological Surveys. The programme’s primary objectives include enhancing African-led geological expertise and skills to support sustainable mineral exploitation, infrastructure development, and natural disaster prevention and mitigation.

(b) Type of applicants targeted

The targeted applicant may be a research institutions, including geological Surveys or their networks.

The part of the action under the budgetary envelope reserved for grants (4.4.1) may, partially or totally and including where an entity is designated for receiving a grant without a call for proposals, be implemented in indirect management with an entity, which will be selected by the Commission’s services using the criteria defined in section 4.4.2 below.

4.4.2 Indirect Management with an entrusted entity

Parts of this action (output 1.1) may be implemented in indirect management with an entity, which will be selected by the Commission’s services using the following criteria:

- (i) the entrusted entity has vast expertise in the field of green hydrogen and critical raw materials value-chains in South Africa;
- (ii) the entrusted entity has the operational capacity to implement the activities of this Action at national scale;

The implementation by this entity or entities entails activities related to specific objective 1 such as provision of technical assistance, capacity-building, policy development and/or reform and research, innovation and sustainability.

4.4.3 Indirect Management with an entrusted entity (Contribution to the Africa Investment Platform)

This contribution may be implemented under indirect management with the entities, called Lead Finance Institutions, identified in the appendix 3 to this Action Document.

4.4.4 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

In case the implementation of the part of the action via direct management through the award of grants as described in section 4.4.1 above cannot succeed due to circumstances outside the Commission’s control, the alternative implementation mode will be indirect management with an entrusted entity (pillar-assessed legal entity) as per selection criteria defined above in 4.4.2.

In case the implementation of the part of the action via indirect management with an entrusted entity as described in section 4.4.2 above cannot succeed due to circumstances outside the Commission's control, the alternative implementation mode will be direct management through grants to other legal public entities relevant to the sector of expertise.

4.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6 Indicative Budget

	2025	
Indicative Budget components	EU contribution (amount in EUR)	Third-party contribution (amount in EUR)
Objective 1 composed of	25 500 000	6 000 000
Indirect management with an entrusted entity- cf. section 4.4.2	21 500 000	6 000 000
Grants (direct management) – cf. section 4.4.1	4 000 000	
Objective 2 composed of	29 500 000	
Indirect management with an entrusted entity- cf. section 4.4.2	29 500 000	N.A.
Evaluation – cf. section 5.2 Audit – cf. section 5.3	Amount may be covered by another Decision	N.A.
Contingencies	N.A.	N.A.
Totals	55 000 000	6 000 000

4.7 Organisational Set-up and Responsibilities

One overarching programme steering committee comprised of South African senior government officials and the EUD and Lead implementing partners will undertake progress monitoring; joint reflection and strategic guidance on project context, risks and strategy; adaptation of project implementation modalities, activities and outputs if required. More details on the composition are to be determined at a later stage.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

Baseline assessments, monitoring data and evaluation will be undertaken systematically during the project and at each level of intervention and will inform the approval of further activities by the Steering Committee. In addition, a Distributional Impact Assessment will be carried out ex-post analysing whether the poorest 40% have been targeted or reached, while also comparing with the share of beneficiaries that enjoy higher income or wealth. The log frame will be updated by the support team following the inception period. The support team, in close cooperation with the implementing partner, will assess the need and undertake specific surveys/studies for baselines/targets. An end-line study must be conducted if a baseline study is undertaken.

The entities providing the services/technical assistance will each be required to report on their logframe matrix and implement a monitoring plan to ensure planned activities are on track in relation to all areas of implementation, including capacity building/training, policy dialogue etc.

The contractors/implementing partners will be required to establish baselines and targets at the start of the project, to measure achievement on the indicators and targets. If necessary, the contractors/implementing partners will also undertake data collection and survey.

All activities will be closely monitored and evaluated to assess outputs, outcomes and possible up-scaling to other provinces.

All monitoring and reporting shall assess how the action is considering the principle of gender equality, human rights-based approach, including inclusion and diversity. Indicators shall be disaggregated at least by sex whenever possible and meaningful

5.2 Evaluation

Having regard to the nature of the action, a mid-term evaluation may be carried out for this action or its components via independent consultants contracted by the Commission. In addition, a Distributional Impact Assessment will be carried out ex-post analysing whether the poorest 40% have been targeted or reached, while also comparing with the share of beneficiaries that enjoy higher income or wealth.

All evaluations shall assess to what extent the action is considering the human rights-based approach as well as how it contributes to gender equality and women's empowerment. Expertise on human rights and gender equality will be ensured in the evaluation teams.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that it is an innovative action, or a pilot being tested.

The Commission shall inform the implementing partner at least 1 month in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination³. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluations shall assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment and disability inclusion. Expertise on human rights, disability and gender equality will be ensured in the evaluation teams.

Evaluation services may be contracted under a framework contract.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

³ See best [practice of evaluation dissemination](#)

Appendix 1 – Selection of “Primary Intervention Reporting” in OPSYS

This Appendix must **not be attached** to the draft Commission Decision, as indicated in Appendix 2.

Appendix 1 serves the purpose to define/select the correct level of “Primary Intervention Reporting” to be made in the system OPSYS, and in particular in the ‘synopsis’ tab related to the action (ACT) corresponding to the Decision.

The primary intervention (PINTV) refers to the development results presented along the structure of a logical framework matrix (logframe) and that will be monitored during implementation. The same PINTV could be linked to one or more legal commitments. Accordingly, it is necessary to make the most relevant choice among the options provided by the system and presented in the table below.

More information on the definition of primary intervention can be found in the wiki [Results & Monitoring - Interventions](#).

The examples provided below do not cover all possible cases and options provided by the system OPSYS. For additional support in the choice of the most suitable option, please contact the FMB: INTPA-AD-RESULTS@ec.europa.eu.

The “Primary Intervention Reporting” choice to be made is (please tick one box, and do not remove other choices):	
<input checked="" type="checkbox"/>	Option 1: Contract(s) level
	Select this option when the contract(s) (CL2) related to this Decision is (are) likely to have its (their) own logframe that will be regularly reported on by the implementing partner. Examples: <ul style="list-style-type: none">- A Decision that includes more than one implementation modalities (i.e. direct and indirect management combined with type of financing: budget support, grant, public procurement, financial instruments)- A Decision in which the implementation modality chosen is direct management (mode) and grant (type of financing). Following a call for proposals, one or more grants will be awarded. Hence each grant contract will have its own logframe and therefore its dedicated PINTV
<input type="checkbox"/>	Option 2: Group of contracts
	Select this option if two or more contracts derived from this Decision share the same logframe or if one or more contracts derived from this Decision contribute to the logframe of an existing intervention (as long as they are funded under the same financial instrument). It is not possible to group contracts funded via EDF and NDICI. Example: The Decision includes one contract that is a top up to an existing contract funded by another Decision but belonging to the same financial instrument (i.e. NDICI).

Appendix 1: LIST OF LEAD FINANCE INSTITUTIONS

Legal entity name	Legal entity acronym
Agence Française de Development	AFD
Proparco	Proparco
European Investment Bank	EIB
Financierings-Maatschappij voor Ontwikkelingslanden N.V.	FMO
Kreditanstalt für Wiederaufbau	KfW Development Bank
Deutsche Investitions- und Entwicklungsgesellschaft	DEG
World Bank Group	WBG
International Finance Corporation	IFC
Industrial Development Corporation	IDC
African Development Bank	AfDB
Development Bank of Southern Africa	DBSA
Compañía Española de Financiación del Desarrollo	COFIDES
Agencia Española de Cooperación Internacional al Desarrollo	AECID