



### Project Summary Information

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| Date of Document Preparation/Updating: 09/25/26  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Project Name</b>                              | Resilient Climate Action Program for Just Energy Transition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Project Number</b>                            | P001099                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>AIIB member</b>                               | South Africa                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Sector/Subsector</b>                          | Energy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Alignment with AIIB's thematic priorities</b> | Green infrastructure; Technology-enabled Infrastructure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Status of Financing</b>                       | Under Preparation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Objective</b>                                 | To promote resilient infrastructure and enhance climate mitigation in South Africa through critical policy and institutional reforms to support the Just Energy Transition.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Project Description</b>                       | <p>The Government of South Africa has established a comprehensive policy and institutional framework to accelerate a low-carbon, climate-resilient, and inclusive development pathway while addressing structural constraints that continue to limit economic growth, infrastructure performance, and climate investment. These priorities are embedded within national development, fiscal, infrastructure, and industrial strategies, and are aligned with South Africa's international climate commitments and Just Energy Transition (JET) objectives.</p> <p>Although South Africa remains the largest economy in Africa, economic growth has been persistently constrained over the past decade by structural constraints in key network sectors, particularly electricity and water. Chronic electricity supply disruptions, transmission bottlenecks, aging water infrastructure, and municipal service delivery constraints have increased the cost of doing business, reduced productivity and export competitiveness, and weakened private investment. These challenges are further compounded by governance and institutional constraints, including implementation capacity constraints, fragmented regulatory responsibilities, and financial pressures on state-owned enterprises and municipalities.</p> <p>At the same time, South Africa faces severe and growing climate vulnerabilities. Rising temperatures, increasing drought frequency, water scarcity, floods, and extreme weather events are placing mounting pressure on infrastructure systems, economic activity, and vulnerable communities. The economy's energy system remains highly carbon intensive, with coal</p> |

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|                         | <p>accounting for approximately 94% of domestic energy production in 2023, underscoring both the scale of the transition challenge and the urgency of accelerating decarbonization while ensuring energy security and social inclusion.</p> <p>Despite important progress, implementation challenges remain significant. Grid congestion and delayed transmission expansion continue to constrain renewable energy integration. Aging water infrastructure, high non-revenue water losses, and weak municipal capacity continue to undermine resilience and service delivery. More broadly, limited climate-responsive public investment systems, insufficient project preparation capacity, and policy and regulatory bottlenecks continue to constrain the mobilization of private and climate finance at scale.</p> <p>To respond to these challenges, the government has adopted a suite of strategic frameworks, including the Second Nationally Determined Contribution (SNDC), the Low-Emission Development Strategy (LEDS), the National Climate Change Adaptation Strategy (NCCAS), the Just Transition Framework (JTF), the Just Energy Transition Investment Plan (JET-IP), and the Climate Change Act (2024). Together, these frameworks establish the policy foundation for reducing greenhouse gas emissions, strengthening climate resilience, mobilizing climate finance, and enabling a just and inclusive transition toward a low-emission economy. Complementary structural reforms under Operation Vulindlela are also supporting modernization of the energy, transport, water, and digital sectors, with a strong focus on improving infrastructure delivery and crowding in private investment.</p> <p>In this context, the proposed Climate Policy-Based Financing (CPBF) Program is designed to support critical policy and institutional reforms that strengthen infrastructure resilience, improve service delivery, enable private sector participation, and accelerate implementation of South Africa's Just Energy Transition agenda.</p> <p>The Program, co-financed with the World Bank (WB), the African Development Bank, KfW, and the OPEC Fund, will support reforms in three areas: (i) strengthening the delivery of clean, efficient, and affordable electricity services; (ii) improving the quality and resilience of water service delivery; and (iii) advancing low-emission and climate-resilient development.</p> <p>The Program is aligned with South Africa's SNDC, LEDS, NCCAS, JTF, JET-IP, and the Climate Change Act (2024), and is expected to make a significant contribution to South Africa's JET by supporting economic decarbonization, reducing dependence on fossil fuels, strengthening climate resilience, and promoting sustainable and inclusive long-term growth. Through targeted policy and institutional reforms, the Program will help unlock public and private investment, strengthen climate governance and institutional coordination, facilitate renewable energy integration, and improve the resilience and sustainability of critical infrastructure systems across the electricity and water sectors.</p> |
| <b>Expected Results</b> | <p>Expected results include supporting reforms across three key result areas: (i) strengthening the delivery of clean, efficient, and affordable electricity services; (ii) improving the quality and resilience of water service delivery; and (iii) advancing low-emission and climate-resilient development.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

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| <b>Environmental and Social Category</b>    | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Environmental and Social Information</b> | <p><b>Applicable Policy, Categorization and Instruments.</b> AIIB's Environmental and Social Framework (ESF, June 2024) establishes provisions for Environmental and Social (E&amp;S) management applicable to the CPBF instrument. The provisions related to CPBF set forth in Section 16 of AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Exclusion List (ESEL), apply to all three pillars of this Program. The provisions on E&amp;S categorization in the ESP do not apply to this Program. The Program is co-financed with the WB, the African Development Bank, KfW and the OPEC Fund. The E&amp;S implications of the Program have been assessed through an E&amp;S Analysis Matrix covering each prior action. The analysis identifies potential direct and indirect E&amp;S effects associated with the policy and institutional reforms supported under the Program, along with corresponding mitigation or enhancement measures. This analysis matrix will be disclosed in a timely manner to inform stakeholder consultation.</p> <p><b>Environmental and Social Aspects.</b> The Program focuses on policy, regulatory, and institutional reforms in the energy, water, and climate sectors. The policy actions are not expected to cause any significant adverse E&amp;S impacts, nor directly result in involuntary resettlement or impacts on Indigenous Peoples. Potential downstream E&amp;S impacts linked to future investments enabled by the policy actions are expected to be indirect, localized, temporary, and manageable. The future investments may result in construction- or rehabilitation-related disturbances associated with downstream investments in the electricity and water sectors, operational impacts such as air emissions, noise, waste generation, and occupational and community health and safety risks, as well as social effects related to land access, livelihoods, affordability for vulnerable households, and labor transition in affected sectors. Any such impacts would arise through subsequent investments, projects, or activities enabled by the reforms and not through the Program itself. Such effects are expected to be addressed through South Africa's existing environmental, social, labor, and sector regulatory frameworks, including established permitting, consultation, compliance monitoring, and grievance redress mechanisms. These frameworks provide a basis for identifying, assessing, mitigating, and monitoring environmental and social impacts associated with future investments. The Program is also expected to generate positive gender outcomes by improving access to reliable energy, strengthening water security, enhancing climate resilience, and supporting broader economic opportunities. At the same time, attention will be given to ensuring that women, economically disadvantaged households, women-headed households, and other vulnerable groups are not disproportionately affected by affordability pressures, labor transition impacts, or uneven access to the benefits of downstream reforms and investments.</p> <p><b>Program Grievance Redress Mechanism (GRM) and Monitoring Arrangement.</b> Individuals and communities who believe they are adversely affected by the Program may submit complaints to the responsible government authorities and the appropriate local/national grievance mechanisms. The information of the GRMs to be used and AIIB's Project-affected</p> |

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|                                                                 | People's Mechanism (PPM) will be timely disclosed in the appropriate manner. Additionally, led by National Treasury as the executing agency of the Program, the relevant government institutions responsible for implementing the prior actions will monitor the Program's implementation and progress, in coordination with the ministries, departments, regulators, and other competent authorities involved in the reform agenda. Progress will be monitored and reported to the Bank using the indicators and targets set out in the Policy and Results Matrix. AIIB, in coordination with WB and other development partners, will undertake annual monitoring missions to confirm that the agreed policy actions are implemented as intended and remain in effect. |                                                                                    |
| <b>Cost and Financing Plan</b>                                  | USD 500 million                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                    |
| <b>Borrower/Investee Company/Counterparty/Guaranteed entity</b> | Republic of South Africa                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                    |
| <b>Implementing Entity/Sponsor</b>                              | National Treasury, South Africa                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                    |
| <b>Estimated date of loan closing (SBF)</b>                     | April 2027                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                    |
| <b>Contact Points:</b>                                          | <b>AIIB</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Republic of South Africa</b>                                                    |
| <b>Name</b>                                                     | Partha Protim Nath                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Ulrike Britton                                                                     |
| <b>Title</b>                                                    | Investment Officer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Head, Public Finance                                                               |
| <b>Email Address</b>                                            | <a href="mailto:partha.nath@aiib.org">partha.nath@aiib.org</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <a href="mailto:ulrike.britton@treasury.gov.za">ulrike.britton@treasury.gov.za</a> |
| <b>Date of Concept Decision</b>                                 | May 27, 2026                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                    |
| <b>Estimated Date of Appraisal Decision</b>                     | September 2026                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                    |
| <b>Estimated Date of Financing Approval</b>                     | Q1 2027                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                    |

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| <b>Independent<br/>Accountability<br/>Mechanism</b> | The Project-affected People's Mechanism (PPM) has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through program-level GRMs or AIIB Management's processes. For information on how to make submissions to the PPM, please visit <a href="https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html">https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html</a> . |
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