

REPUBLIC OF SOUTH AFRICA

USE OF PROCEEDS SUSTAINABLE FINANCE FRAMEWORK

2026



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

A **NATION** 
THAT **WORKS**  **FOR ALL**



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1. INTRODUCTION

1.1. Executive Summary

The Republic of South Africa (South Africa or the Republic) has a longstanding recognition of the importance of protecting the environment, combating climate change, working towards sustainable development goals and achieving positive social outcomes. These goals are enshrined within South Africa's Constitution as well as other key legislative components, on which basis regulations, policies and institutions have been created to govern South Africa's commitment to environmental and social objectives. South Africa also recognises the need to continue its national development in a sustainable manner to eliminate poverty and reduce inequality for all, amongst other targets. A just transition to a low-carbon economy will benefit all South Africans by driving economic growth, creating jobs, and increasing energy security, while addressing the serious threat of climate change.

Beginning with its ratification of the UN Framework Convention on Climate Change (UNFCCC) in 1997¹, followed by its ratification of the Kyoto Protocol in 2002 and subsequently the Paris Agreement on 1 November 2016², South Africa has supported the international community in each progressive step of recognising not only the devastating impact of human activities on the environment but also the risks posed to people and the environment globally if significant efforts are not made in the areas of climate change mitigation and adaptation.

Recognising the transformational force that climate and sustainable finance can have in accelerating the just transition, South Africa has established this Integrated Sustainable Finance Framework (Framework). This initiative aims to align the country's funding strategy with its sustainability objectives, attracting sustainable finance to support South Africa's decarbonisation commitments in a just and inclusive manner.

1.2. South Africa's Sustainable Development and Inclusive Growth Strategy

1.2.1. South Africa's Commitment to Environmental and Social Outcomes

South Africa's debt and budgetary principles are guided by a combination of constitutional mandates, legislative frameworks, and economic policies aimed at ensuring fiscal sustainability, promoting economic growth, and addressing social and developmental challenges.

From a constitutional and legislative perspective, the Constitution of South Africa³ establishes a robust framework for public finance management and general budgetary principles. The two cornerstones of implementation of South Africa's finance management are the Public and Municipal Finance Management Acts^{4,5} (PFMA) (MFMA) both of which set out the key responsibilities of various officials and institutions in managing funds at the public and municipal levels, to promote transparency, accountability and sound management.

¹ Source: [United Nations Treaty Collection](#)

² Source: [United Nations Framework Convention on Climate Change](#)

³ Source: [South Africa Constitution, 1996](#) (with subsequent amendments)

⁴ Source: [Public Finance Management Act, 1999](#) (with subsequent amendments)

⁵ Source: [Municipal Finance Management Act, 2003](#) (with subsequent amendments)

The Constitution also sets out the right of all people to an environment that is not harmful to their health or well-being, and to have the environment protected, for the benefit of present and future generations, through measures that prevent pollution and ecological degradation, promote conservation, and secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development. The Constitution also states that everyone has the right to have access to adequate housing, healthcare services, food, water, social security and education, amongst other things.

In this way, South Africa's commitment to positive environmental and social outcomes is enshrined throughout its legislative and organisational infrastructure.

1.2.2. Alignment to the UN Sustainable Development Goals

South Africa has made positive strides towards improving the livelihoods of its citizens by increasing public spending on basic services, social security and increasing access to fixed internet broadband services. Alongside its neighbouring countries, South Africa has positioned itself as a leader in renewable energy largely due to its abundant solar and wind resources. As such, notable reductions in CO₂ emissions have been achieved.

As a country, there has been a marked improvement on indicators that can be reported on, from 64% in 2019 to 72% in 2023. This achievement evidences South Africa's commitment to the UN Sustainable Development Goals (SDGs) and the efforts of all stakeholders.

The realisation of the SDGs has been hampered by interlinked global crises namely: the COVID-19 pandemic, conflicts, climate change and a weakening global economy. Addressing these challenges will require stronger and increased partnerships between all stakeholders. As the world moves closer to 2030, it is crucial for South Africa to intensify its efforts.

South Africa continues to prioritize sustainable development and inclusive growth through a collaborative and inclusive approach. As such, South Africa continues to work with partners across society to advance the country's National Development Plan (NDP), the African Union's Agenda 2063 and the UN SDGs to fulfil the hopes of all South Africans.

For a more detailed insights on South Africa's UN SDG progress, please kindly access the SDG Country Report⁶. Periodic updates to this report will be made available via the Statistics South Africa website.

1.3. South Africa's Climate Transition Strategy and Governance

1.3.1. Sustainability Performance and Evaluation

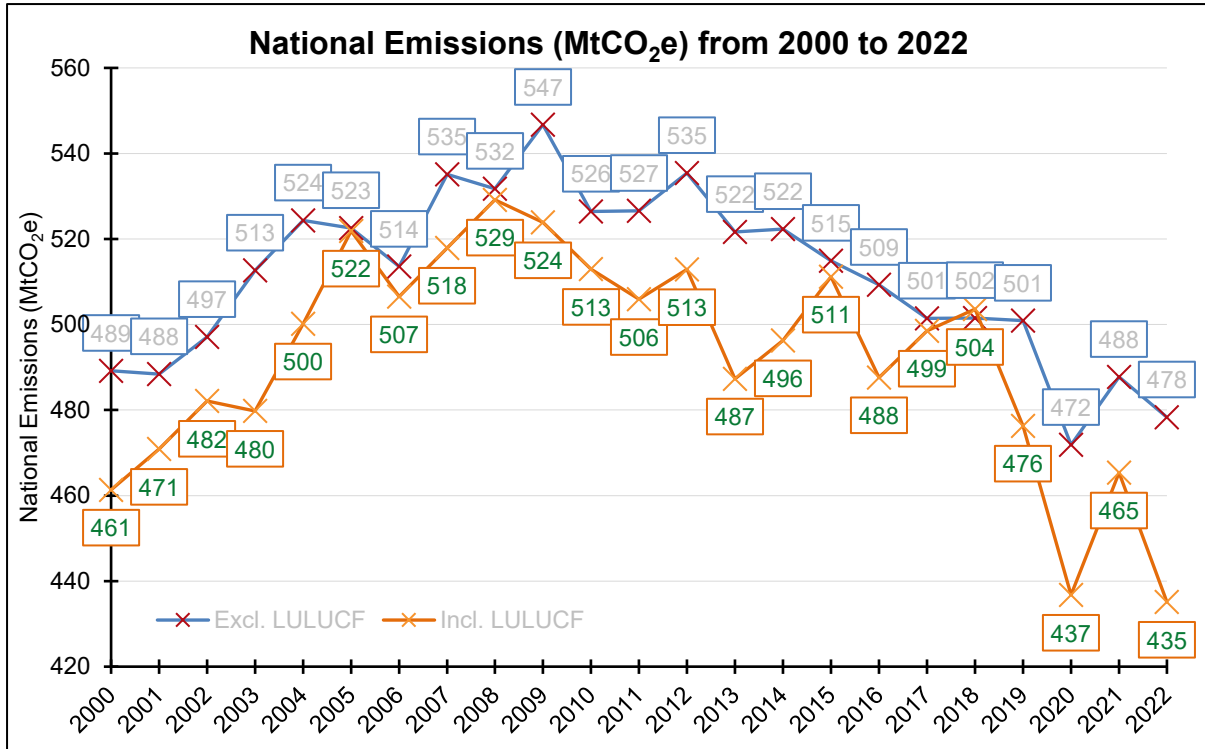
1.3.1.1. Aggregate GHG Emissions

As greenhouse gases (GHGs) vary in their radiative activity, and in their atmospheric residence time, as well as to comply with international reporting obligations under the UNFCCC, the following national GHG emissions are presented as CO₂-equivalent (CO₂e) using the 100-year global warming potentials (GWPs) from the 2014 Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5)⁷ in

⁶ Source: [Sustainable Development Goals Country Report, 2023](#)

⁷ Source: [IPCC](#)

accordance with the Modalities, Procedures, and Guidelines (MPGs) for transparency framework for action and support referred to in Article 13 of the Paris Agreement. Data has been presented both inclusive and exclusive of Land Use, Land Use Change and Forestry (LULUCF).

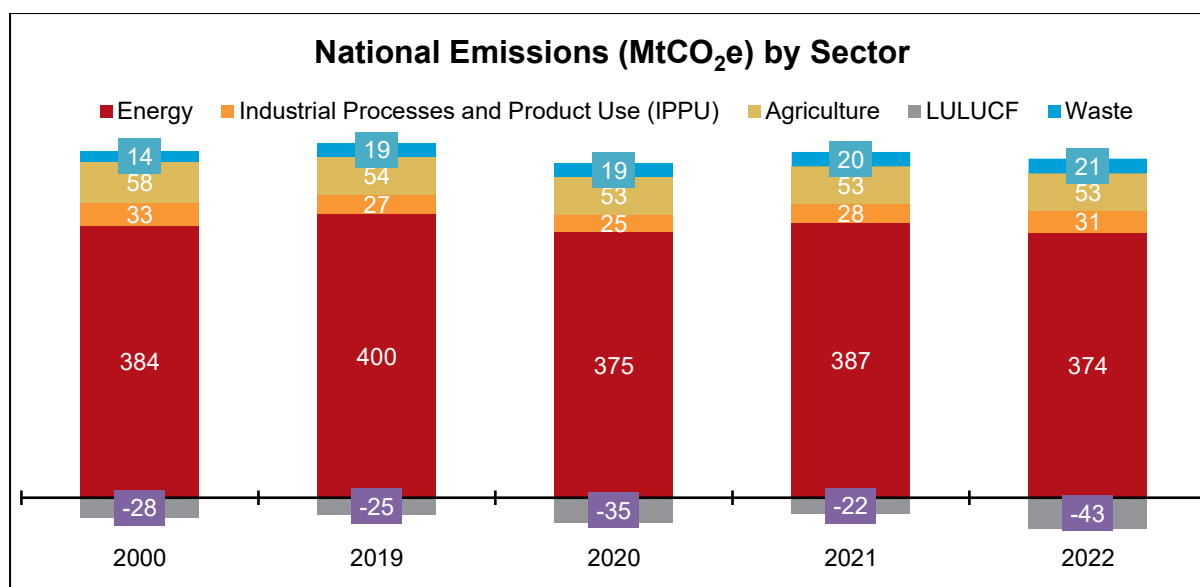


Key Sectors & Entities

The emissions data presented above are reflective of the following primary sectors:

- Energy
- Industrial Processes and Product Use (IPPU)
- Agriculture
- Land Use, Land Use Change and Forestry (LULUCF)
- Waste

A breakdown of national emissions has been provided across these sectors, with further information for each sector below. Additional data is available in Annexure 1.



Energy

South Africa's Energy sector includes the exploration and use of primary energy sources, the conversion of primary energy source into more useable energy forms in refineries and power plants, the transmission and distribution of fuels, and the final use of fuels in stationary and mobile applications. By sub-activity, an emissions breakdown is provided below.

Industrial Processes and Product Use

South Africa's IPPU sector includes non-energy related emissions from industrial processing plants. This primarily includes the mineral industry (cement, lime, glass production and other process uses of carbonates), chemical industry (ammonia, nitric acid, carbide, titanium, soda ash, petrochemical and black carbon, hydrogen production), metal industry (iron and steel, ferroalloy, aluminium, lead, zinc production), non-energy products from fuels and solvents, and product uses as substitutes for Ozone Depleting Substances.

Agriculture

South Africa's Agriculture sector primarily includes enteric fermentation, manure management, and agricultural soils (comprising both direct and indirect N₂O emissions from managed soils), field burning of agricultural residues, liming and urea application.

LULUCF

South Africa's Land Use, Land Use Change and Forestry sector includes both carbon emissions and removals from carbon pools across forest land, cropland, grassland, wetlands, settlements and other land. The carbon pools themselves include above-ground biomass, below-ground biomass, litter, dead wood, mineral soils and harvested wood products.

Waste

South Africa's Waste sector covers greenhouse gas emissions from solid waste disposal, biological treatment of solid waste, open burning of waste and wastewater treatment and discharge.

1.3.2. South Africa's Decarbonisation Commitments

1.3.2.1. Relevance & Materiality

To achieve the goals of the Paris Agreement, South Africa acknowledges the clear relevance of GHG emissions as a defining metric to be measured, reported and against which to set targets.

South Africa's GHG inventory is calculated across the five main sectors detailed above, which collectively comprise most of the country's total emissions, on which basis the scope of data and associated measurement is deemed material.

1.3.2.2. Decarbonisation Targets and Paris Agreement Alignment

As party to the Paris Agreement, South Africa endorses the objective of limiting global warming to well below 2°C and pursuing efforts to limit the temperature increase to 1.5°C, above pre-industrial levels.

In its Second Nationally Determined Contribution (NDC) under the Paris Agreement⁸, South Africa has continued to stress the importance of effective multilateral cooperation as a key factor in achieving the temperature goals of the Paris Agreement, within the context of development which is critical to implementing and achieving climate goals in South Africa. South Africa is experiencing significant climate shifts, with temperatures rising faster than the global average, leading to more frequent and severe extreme weather events, including droughts, floods, heatwaves and wildfires.

Despite South Africa's economy and energy system being one of the most coal-dependent in the world, there exist an abundance of renewable energy resources which creates the opportunity for low-carbon development within the country. This requires a just transition strategy that can achieve this transition while also minimising adverse effects on communities, workers and the economy. This strategy, in part, will rely on climate finance and other forms of support provided to developing countries as specified in Articles 9, 10 and 11 of the Paris Agreement.

Across its NDC submissions, South Africa has set the following targets for climate mitigation:

- 2021-2025: South Africa's annual GHG emissions⁹ will be in a range from **398-510 MtCO₂-eq**
- 2026-2030: South Africa's annual GHG emissions will be in a range from **350-420 MtCO₂-eq**
- 2031-2035: South Africa's annual GHG emissions will be in a range from **320-380 MtCO₂-eq**

1.3.2.3. Support Required

South Africa's NDC continues to assume that implementation and ambition will be enabled by finance and technology and capacity building support. The extent to which South Africa can achieve this mitigation target, and particularly the lower end of the range, relates to the quantum of support that developed countries continue to provide and mobilise to support country-driven mitigation strategies, consistent with Article 9.

⁸ Source: [South Africa Second NDC, October 2025](#)

⁹ "GHG emissions" are defined as total net GHG emissions as specified in the national inventory report (NIR) for 2025, including all sectors, and excluding emissions from natural disturbances in the land sector.

South Africa accessed approximately USD 2 billion (ZAR 36 billion) per year of international climate finance in 2018 and 2019, which mobilized additional public and private resources. The country aims to maintain the access goal stated in its 2021 NDC of USD 8 billion (ZAR 160 billion) annually by 2030, leveraging private sector contributions estimated at USD 3–10 for each USD of public finance. This goal will be reviewed in preparing the third NDC in 2030 to reflect both South Africa’s capacity to raise climate finance and evolving mitigation and adaptation needs. The resource requirements presented may change in response to evolving circumstances, but international assistance in climate finance and technology will remain pivotal to the successful implementation of South Africa’s NDC.

South Africa is grateful for the support provided by developed country Parties in relation to the implementation of Article 9.1 of the Paris Agreement and Article 4 of the UNFCCC, whilst noting the finance gap that still exists in order to meet its commitments. International support is accessed through multilateral channels such as the Global Environment Facility (GEF), Climate Investment Funds, Green Climate Fund (GCF), and Adaptation Fund, as well as through multilateral development banks and numerous bilateral channels. Since 2006, South Africa has been both a recipient of and a contributor to the GEF. Significant international cooperation has been secured, including pledges following the announcement of the Just Energy Transition Partnership at the Glasgow COP in 2021. Accredited entities to the GCF have been able to both provide and mobilize private sector resources to support climate actions. South Africa continues to welcome additional resources through bilateral, regional, and international cooperation, as recognised under Articles 4.5 and 6 of the Paris Agreement, and through the full implementation of the New Collective Quantified Goal to expedite access to financial resources for mitigation and adaptation efforts.

The total investment required to implement South Africa’s mitigation and adaptation actions over 2026-2035 are as follows:

- Adaptation: ZAR 250bn total investment, averaging ZAR 25bn/year
- Mitigation: ZAR 3.47trn total investment, average ZAR 347bn/year

These totals represent the full estimated investment required, not only the portion for which South Africa seeks international support, and are not incremental to business-as-usual costs. Further details are available in South Africa’s second NDC.

1.3.3. Institutional and Legal Framework for Climate Action

Several pieces of legislation and policy documents (summarised in Section 3.3) determine the mandate of the relevant institutions (referenced below) that deliver on South Africa’s social development agenda.

1.3.3.1. Relevant Institutions

National Treasury

The National Treasury of South Africa (National Treasury) is instrumental in integrating climate considerations into the country’s fiscal and economic policies. It oversees the allocation of financial resources for climate-related projects and initiatives, ensuring that climate action is adequately funded. Furthermore, National Treasury works in collaboration with other government departments, financial institutions, and international partners to mobilise climate finance and investment. By incorporating climate risks into economic planning and budgeting, National Treasury helps to create an enabling environment for effective climate action across various sectors.

Department of Forestry, Fisheries, and the Environment

The Department of Forestry, Fisheries, and the Environment (DFFE) is the central governmental authority in South Africa responsible for overseeing environmental management, conservation, and climate action. Formerly known as the Department of Environmental Affairs (DEA), the DFFE's mandate encompasses the formulation and execution of policies, strategies, and legislation aimed at ensuring sustainable development and environmental protection. It is overseen by the Portfolio Committee on Forestry, Fisheries, and the Environment.

Key among its responsibilities is the development and implementation of the National Climate Change Response Policy (NCCRP), which outlines the nation's framework for mitigating and adapting to climate change impacts. The DFFE also coordinates South Africa's involvement in international climate negotiations and agreements, such as the UNFCCC. Additionally, the department manages various programs and initiatives to promote the conservation of biodiversity, sustainable forestry practices, and the sustainable use of marine resources. By integrating environmental considerations into national development plans and fostering collaboration with other governmental and non-governmental entities, the DFFE plays a pivotal role in advancing South Africa's climate action agenda.

Presidential Climate Commission

The Presidential Climate Commission (PCC) is an independent, statutory, multi-stakeholder body which plays a pivotal role in advancing the country's sustainability objectives by overseeing and facilitating a just and equitable transition towards a low-emissions and climate-resilient economy. The PCC brings together representatives from government, business, labour, civil society, and academia to create a comprehensive and inclusive approach to climate governance. By developing and promoting evidence-based recommendations, the PCC ensures that climate policies are aligned with national development goals and international commitments, such as the Paris Agreement.

Furthermore, the commission facilitates dialogue and coordination among various sectors, helping to integrate climate considerations into broader economic and social planning. Through its efforts, the PCC supports the implementation of sustainable practices, enhances resilience to climate impacts, and drives the adoption of green technologies and renewable energy, thereby contributing significantly to South Africa's sustainability and climate action agenda.

1.4. Business Model Environmental Materiality

South Africa's key economic sectors¹⁰ include mining, transport, energy, manufacturing, tourism and agriculture. Of these, mining, transport, energy, manufacturing and agriculture are all significant contributors of greenhouse gas emissions³⁴, whose emissions³⁴ are covered within South Africa's GHG Inventory reporting and ultimately within the scope of South Africa's NDC targets.

Achieving South Africa's targeted sustainability-related commitments, particularly on the theme of decarbonisation, will undoubtedly require significant transformation of these key economic sectors, on which basis the environmental materiality of South Africa's economic activities is made clear.

¹⁰ Source: [South Africa at a Glance](#)

1.5. Climate Transition Strategy and Targets to be Science-Based

South Africa's latest NDC commitments consider the latest science, as well as South Africa's status as a developing country and its national circumstances. The 2006 IPCC Guidelines for National Greenhouse Gas Inventories, as well as the 2013 Kyoto Protocol Supplement (for harvested wood products), are employed when calculating emissions data, as well as latest GWP data from the IPCC Assessment Reports. Additionally, when analysing South Africa's relative fair share in relation to mitigation, the independent Climate Equity Reference Calculator¹¹ was used, as well as applying certain caveats to the studies compiled by the Climate Action Tracker¹².

In light of science, equity and national circumstances, South Africa's NDC reflects the highest possible level of ambition.

1.6. Implementation Transparency

The Climate Change Act sets a clear legal basis from which climate action will be taken. Additionally, the Just Energy Transition (JET) Implementation Plan¹³ sets out the clear areas of priority investment and focus that will underpin South Africa's energy transition, via a managed, phased, long-term process of economic, social and environmental change.

The six Portfolios of the JET Implementation Plan are:

- Electricity
- Mpumalanga Just Transition (JT)
- New Energy Vehicles (NEVs)
- Green Hydrogen (GH2)
- Skills
- Municipalities

Additionally, three additional Portfolios have been flagged for inclusion in the JET Implementation Plan as follows:

- South African Renewable Energy Masterplan (SAREM)
- Energy Efficiency
- Road-to-Rail

The JET Implementation Plan sets out the necessary investments that need to be made until 2027 as follows:

¹¹ Source: [Climate Equity Reference Calculator](#)

¹² Source: [Climate Action Tracker](#)

¹³ Source: [Just Energy Transition Investment Plan, 2023-2027](#)

JET IP Financing Requirements, 2023-2027¹³		
Sector	ZARbn	USDbn
Electricity	711	47
New Energy Vehicle (NEV)	128	9
Green Hydrogen	319	21
Skills Development	2.7	0.18
Municipal Capacity	319.1	21.3
Total	1,480	99

Beyond the JET IP, South Africa’s Presidential Climate Commission also facilitated the creation of the Just Transition Framework¹⁴ in June 2022 which further sets out South Africa’s approach to just transition concepts, particularly with respect to the coal, auto, agriculture and tourism value chains.

1.7. South Africa’s National Development Plan

The National Development Plan (NDP) serves as an action plan for securing the future of South Africans as charted in the Constitution. The Constitution requires that “we must build a united and democratic South Africa, able to take its rightful place as a sovereign state in the family of nations”. The NDP is founded on six pillars that represent the broad objectives of the plan to eliminate poverty and reduce inequality. The NDP is divided into thirteen chapters that address the most pressing challenges facing South Africa and provides solutions to these challenges in the form of proposals and actions. The plan outlines sector specific goals and a vision for South Africa to be achieved by the year 2030:

- Uniting South Africans of all races and classes around a common programme to eliminate poverty and reduce inequality.
- Encourage citizens to be active in their own development, in strengthening democracy and in holding their government accountable.
- Raising economic growth, promoting exports and making the economy more labour absorbing.
- Focusing on key capabilities of both people and the country.
- Capabilities include skills, infrastructure, social security, strong institutions, and partnerships both within the country and with key international partners.
- Building a capable and developmental state.
- Strong leadership throughout society that work together to solve our problems.

The objectives of the NDP need to be achieved for the realisation of Vision 2030¹⁵.

¹⁴ Source: [A Framework for a Just Transition in South Africa, June 2022](#)

¹⁵ Source: [National Development Plan 2030](#)

1.7.1. Institutional and Legal Framework for Social Development

Several pieces of legislation and policy documents (summarised in Section 3.4) determine the mandate of the relevant institutions (referenced below) that deliver on South Africa's social development agenda.

1.7.1.1. *Relevant Institutions*

Education

The Department of Basic Education's (DBE) strategic focus is to ensure effective and efficient governance and management, effective development, monitoring of curriculum implementation and support, improved teacher supply, development and utilisation, effective systems for planning, coordination, information management, assessment and district support, and improved social cohesion in schools and well-being of learners.

The vision of the Department of Higher Education and Training (DHET) is of a South Africa with a differentiated and fully inclusive post-school system that allows South Africans to access relevant post-school education and training, in order to fulfil the economic and social goals of participation in an inclusive economy and society.

Health

The mission of the National Department of Health (NDOH) is to improve health status through the prevention of illness, disease and the promotion of healthy lifestyles, and to consistently improve the health care delivery system by focusing on access, equity, efficiency, quality and sustainability.

Housing

The Department of Human Settlements (DHS) is mandated to establish and facilitate a sustainable national housing development process in collaboration with provinces and municipalities. The department determines national policy, norms and standards for the development of housing and human settlements, prescribes national housing delivery goals, and oversees provincial and municipal performance outcomes against national targets.

Basic Infrastructure

The mandate of the Department of Water and Sanitation (DWS) is to ensure that the country's water resources are protected, managed, used, developed, conserved and controlled by regulating and supporting the delivery of effective water supply and sanitation.

The Department of Transport (DOT) is responsible for regulation and coordination of transportation in South Africa that is public transport, rail transportation, civil aviation, maritime transport and road transport.

Social Protection

The social development sector provides social development services and leads government's efforts to forge partnerships through which vulnerable individuals, groups and communities become capable and active participants in their own development. The social development portfolio consists of the Department of Social Development (DSD), the National Development Agency (NDA) and the South African Social Security Agency (SASSA). The DSD continues to lead in the coordination of social protection imperatives outlined in the NDP and implemented through the

Medium-Term Strategic Framework (MTSF) through Priority 4, Consolidating the Social Wage through Reliable and Quality Basic Services. The national DSD is responsible for policy and programme development, which are then implemented by the nine provincial Departments of Social Development.

Women, Youth and People with Disabilities

The Department of Women, Youth and Persons with Disabilities (DWYPD) is mandated to lead in socioeconomic transformation for the empowerment and participation of women, youth and people with disabilities through mainstreaming, advocacy, monitoring and evaluation in order to achieve socioeconomic empowerment, rights and equal treatment of women, youth and persons with disabilities. The Commission for Gender Equality is an independent statutory body established in terms of Section 181 of the Constitution to promote respect for gender equality, and the protection, development and attainment of gender equality.

Employment

The Department of Employment and Labour (DEL) regulates the South African labour market for a sustainable economy through appropriate legislation and regulations, inspection, compliance monitoring and enforcement, protection of human rights, provision of employment services, promotion of equity, social and income protection, and social dialogue. The DEL plays a significant role in reducing unemployment, poverty and inequality through a set of policies and programmes developed in consultation with social partners, which are aimed at improved economic efficiency and productivity, employment creation, sound labour relations, eliminating inequality and discrimination in the workplace, and alleviating poverty in employment.

Food Security

The major role of the Department of Agriculture, Forestry and Fisheries (DAFF) role is, among others, to ensure that opportunities are created to encourage South African citizens to participate in agriculture and produce to reduce food insecurity in the country. The department has since initiated a number of programmes that are meant to contribute positively to food security in the country.

1.7.2. Key Implementation Mechanisms for Target Delivery

Education

Education is governed by two national departments, namely the Department of Basic Education (DBE), which is responsible for primary and secondary schools, and the Department of Higher Education and Training (DHET), which is responsible for tertiary education and vocational training. Each Department has key initiatives to address the education priorities and ensure that South Africa provides access to education and training of the highest quality, leading to significantly improved learning outcomes.

The aim of the DBE is to develop, maintain and support a South African school education system for the 21st century and its key programmes include:

- Early Childhood Development (ECD) Programme which is dedicated to building and upgrading ECD centres, especially in disadvantaged communities and training of ECD practitioners to improve the quality of early learning experiences.
- Accelerated Schools Infrastructure Delivery Initiative (ASIDI) which targets the elimination of infrastructure backlogs in schools.

- National Schools Nutrition Programme which provides nutritious meals to learners at school.

Key programmes of DHET include:

- The Technical and Vocational Education and Training (TVET) Colleges Expansion initiative which supports the establishment of new TVET colleges and upgrades to existing institutions.
- Upgrading infrastructure at higher education institutions to expand access to higher education and training opportunities.
- National Student Financial Aid Scheme (NSFAS) provides financial assistance to students from low-income households, facilitating access to higher education. This scheme focuses on removing financial barriers to ensure that all students can pursue tertiary education, regardless of their economic circumstances.

Health

NDOH derives its mandate from the National Health Act (2003), which requires that it provides a framework for a structured and uniform health system for South Africa and sets out the responsibility of the three levels of government in the provision of health services. Its mission is to improve health by preventing illness and disease and promoting healthy lifestyles. It aims to consistently improve the health care delivery system by focusing on access, equity, efficiency, quality and sustainability. As part of the broader framework of government health initiatives which includes the refurbishment, upgrading, and maintenance of healthcare infrastructure, including hospitals and clinics, the National Health Insurance (NHI) aims to provide universal healthcare coverage by establishing a single fund that ensures equitable access to healthcare services for all South Africans.

The District Health System (DHS) decentralises healthcare delivery to provincial and local levels, with district health offices coordinating the implementation of primary healthcare services, particularly in underserved areas. This approach fosters community engagement and ensures that health services are tailored to the specific needs of local populations. The Community Health Worker Programme plays a critical role in expanding healthcare access. This initiative employs and trains local health workers to deliver basic healthcare services and education in remote or low-income communities. By leveraging local resources and knowledge, the programme enhances service delivery and promotes health literacy among community members.

Affordable Housing

As part of the government's efforts to improve access to affordable housing, DHS leads national housing initiatives through key programmes that target both subsidised housing and infrastructure development. The Integrated Residential Development Programme (IRDP) plays a central role, delivering subsidised housing, social housing, and essential infrastructure to create mixed-use, mixed-income communities, thus promoting social cohesion and economic inclusion. The Social Housing Regulatory Authority (SHRA) partners with private developers, non-profits, and municipalities and provides oversight to ensure that affordable rental housing schemes cater to low-income households, improving urban inclusion. Targeting informal settlements, the Upgrading of Informal Settlements Programme (UISP) implements a phased approach to service delivery that includes providing basic services such as water, sanitation, and electricity, while also securing tenure for residents, which fosters stable, sustainable communities. The Finance Linked Individual Subsidy Programme (FLISP) provides

essential financial support for middle-income households that fall outside the threshold for fully subsidised housing but lack access to sufficient housing finance, ensuring that housing affordability extends to those in the gap market. In response to emergency housing needs, the Emergency Housing Programme (EHP) coordinates with local municipalities and the DHS to provide temporary housing for individuals and families displaced by disasters, evictions, or other emergencies, ensuring rapid relief and basic shelter provisions.

These programmes collectively advance the government’s social protection measures, working towards the goal of providing adequate and affordable housing for all.

Basic Infrastructure

As part of the government’s broader social protection measures, several key infrastructure programmes and initiatives are implemented to ensure that underserved communities have access to essential services and improved living conditions. This includes improving services and ensuring reliable access to clean water and sanitation in underserved areas, ensuring affordable, sustainable energy access and bringing electricity to rural areas and informal settlements and the development and expansion of public transportation systems to make public transport more accessible and affordable for low-income populations, enhancing mobility and reducing reliance on private vehicles. These programmes collectively support the government’s vision of providing affordable, sustainable basic infrastructure and services, helping to uplift underserved communities across the country.

Social Protection

South Africa’s NDP 2030 accords a central role to social protection in addressing the critical challenges of eradicating poverty and reducing inequality. Social protection contributes to ensuring that no-one slips below a minimum standard of living, as well as a more transformative and developmental role of moving towards a more inclusive growth path and to ensure more inclusive development outcomes. South Africa’s social protection measures focus on those who are not employed due to their vulnerable status - children, people with disabilities and the aged – and those who experience labour market vulnerability due to the nature of their jobs or low-income levels.

Key programmes implemented to deliver social protection include:

- Provision of social welfare services and social development programmes through local and regional services.
- Administration of long-term social grants that benefit the elderly, people with disabilities, and children; and short-term cash transfers and in-kind support for households in distress or with insufficient means.
- Social welfare services provided through social service practitioners in partnership with community structures, including non-profit organisations (NPOs) which serve as the main service delivery agents at provincial and local level.

Women, Youth and People with Disabilities

DWYPD focuses the majority of its investment in transfer and subsidies to the National Youth Development Agency and the Commission for Gender Equality. The department also continues to assess the strategic and annual performance plans of other departments to ensure that they are responsive to policy priorities relating to women,

young people and people with disabilities, and promote compliance with international commitments in support of these core constituents. Advocacy is another key focus area, with the department working towards the finalisation of the Disability Rights Bill and frameworks to guide government in mainstreaming the inclusion of people with disabilities, strengthen direct involvement of the disability sector and enhance awareness programmes, as well as the National Council on Gender-based Violence and Femicide Bill that is under consideration by the National Council of Provinces.

Employment

To eliminate poverty and reduce inequality, South Africa has to raise levels of employment and, through productivity growth, the earnings of working people. The DEL supports the NDP's vision of eliminating poverty and reducing inequality by facilitating the resolution of workplace disputes, improving labour relations, enhancing occupational health and safety, and facilitating job creation. Programmes such as the Public Employment Services programme and the presential employment stimulus facilitate access to decent employment for work seekers. These programmes will create opportunities for employment, support increased access to relevant education and training interventions, help young people make choices about learning and/or earning, and identify barriers to entry in the labour market.

1.8. Rationale for Pursuing Sustainable Finance

In its Nationally Determined Contribution, South Africa acknowledges the need to step up global climate action in light of the latest available science on climate change, as part of which access to climate finance will play a key role during implementation, with resources to be distributed equally between adaptation and mitigation, in line with Article 9.4 of the Paris Agreement. South Africa aims to maintain the international support access goal stated in its 2021 NDC of USD 8bn (ZAR 160bn) annually by 2030, leveraging private sector contributions estimated at USD 3-10 for each USD of public finance. At the same time, South Africa acknowledges the need to continue to make progress towards its social-side targets and objectives.

In order to achieve these targets, significant investment will be required from both the public and private sectors. Support for green and social expenditures in the Republic's budget through the issuance of sustainable debt in bond or loan format (as outlined in Section 2 below) will be key to making this transition possible.

In addition to the above, South Africa hopes that the pursuit of sustainable financing under this Framework will also:

- Reinforce the commitment South Africa has made to advancing sustainability objectives.
- Promote higher social welfare goals in the Republic, driving positive social outcomes and helping mitigate the social issues that may threaten, hinder or damage the wellbeing of particular populations in society or the public at large.
- Provide sustainable impact focused investors the opportunity to further diversify their portfolios with a well-known and credible Eurobond issuer.
- Facilitate the continued increase of liquidity and depth in sustainable debt markets.
- Encourage the development of sustainable finance frameworks by both South African domestic issuers as well as other sovereign issuers.

- Promote adherence to best market practice by sustainable debt issuers, by setting an example of robust processes throughout this Framework.

2. USE OF PROCEEDS SUSTAINABLE FINANCE FRAMEWORK

2.1. Alignment with Voluntary Market Standards

This Use of Proceeds Sustainable Finance Framework ("UoP Framework") establishes the guidelines under which South Africa can issue Green, Social and Sustainability Financing Instruments. These issuances could include bonds and/or loans (including private placements), to fund new and existing projects with environmental and/or social benefits.

South Africa's UoP Framework is aligned with the June 2025 version of the Green Bond Principles (GBP)¹⁶, the June 2025 version of the Social Bond Principles (SBP)¹⁷, and the June 2021 version of the Sustainability Bond Guidelines (SBG)¹⁸, each as published by the International Capital Market Association (ICMA), as well as the March 2025 versions of the Green Loan Principles (GLP)¹⁹ and Social Loan Principles (SLP)²⁰ published by the Loan Markets Association (LMA).

This UoP Framework has been prepared in accordance with the core components and key recommendations of the aforementioned guidelines, namely:

Core Components

1. Use of Proceeds;
2. Project Evaluation and Selection;
3. Management of Proceeds; and
4. Reporting.

Key Recommendations

1. Green/Social/Sustainable Finance Framework; and
2. External Reviews.

South Africa may update this UoP Framework from time to time and at its discretion, to reflect new market developments, including changes to the ICMA Principles or to relevant environmental and social taxonomies and standards, including the EU Green Bond Standard, with the aim of adapting to, and aligning with, best market practices.

In the event of material updates to this UoP Framework, South Africa will consult with its Second Party Opinion (SPO) provider on the need for an updated SPO.

¹⁶ Available at <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp>

¹⁷ Available at <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp>

¹⁸ Available at <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp>

¹⁹ Available at <https://www.lsta.org/content/green-loan-principles>

²⁰ Available at <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp>

In addition, on a best-efforts basis and wherever possible, South Africa has taken into consideration the developing EU Taxonomy²¹ on environmentally sustainable economic activities, as well as the South Africa Green Finance Taxonomy²², in developing the criteria for certain eligible financings under this UoP Framework.

2.2. Use of Proceeds

Under this UoP Framework, South Africa may issue the following instruments (together, “UoP Financing Instruments”):

- **Green Financing Instruments**, to finance and/or refinance eligible green government expenditures/projects.
- **Social Financing Instruments**, to finance and/or refinance eligible social government expenditures/projects.
- **Sustainability Financing Instruments**, to finance and/or refinance a combination of eligible green and social government expenditures/projects.

The scope of eligible project expenditures includes (but is not limited to) subsidies and taxes foregone, tax expenditures, operational expenditures, investment expenditures and research/development-related expenditures. To the extent possible, intangible expenditures, such as administrative costs, are only included if they are deemed relevant and necessary for the realisation of tangible projects overseen by the agency or office whose administrative costs are the subject of the allocation.

South Africa will allocate an amount equal to the net proceeds from the issuance of Green, Social or Sustainability Financing Instruments to exclusively finance, and/or to refinance, in whole or in part, Green and/or Social Projects that meet the eligibility criteria set out in this UoP Framework (together, “Eligible Projects”).

South Africa intends to make allocations to Eligible Projects where the eligible expenditure occurred in the 3 full calendar years preceding the year of issuance of the corresponding UoP Financing Instrument, not including the issuance year itself.

On a best-efforts basis, South Africa intends to allocate an amount equal to the net proceeds from the issuance of each UoP Financing Instrument following 3 full calendar years following the year of issuance of the corresponding UoP Financing Instrument, not including the issuance year itself.

²¹ Available at <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02021R2139-20230101>




²² Available at https://www.treasury.gov.za/comm_media/press/2022/SA%20Green%20Finance%20Taxonomy%20-%201st%20Edition.pdf

2.2.1. Green Eligible Categories and Eligibility Criteria

Below is an overview of the categories of Green Projects contemplated by South Africa under this UoP Framework. Here, South Africa outlines the intended categories of eligible green projects, as well as the applicable eligibility criteria for each category under this UoP Framework.


Additionally, South Africa highlights how each category may advance specific UN Sustainable Development Goals (SDGs) and also maps each category to example economic activities under the EU Taxonomy.


Where possible, and on a best-efforts basis, applicable eligibility criteria have been designed to comply with the technical screening criteria set out in the EU Taxonomy Delegated Act²¹ and the South Africa Green Finance Taxonomy²² as at the time of this UoP Framework's publication

ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION
<p>RENEWABLE ENERGY</p> <p><i>Environmental Objectives</i> Climate Change Mitigation Climate Change Adaptation</p>   	<p><u>7.2.5 Manufacture of Hydrogen</u></p> <p>The activity complies with the life-cycle GHG emissions savings requirement of 73.4% for hydrogen (resulting in 3tCO₂e/tH₂) and 70% for hydrogen-based synthetic fuels relative to a fossil fuel comparator of 94gCO₂e/MJ. Life cycle GHG emissions savings are calculated using the methodology referred to in ISO 14067:2018 or ISO 14064-1:2018.</p> <p>Quantified life-cycle GHG emission savings are verified by an independent third party.</p> <p>For the avoidance of doubt, “blue” hydrogen manufacturing for the refining of fossil fuels will be ineligible under this Framework.</p> <p><u>7.3.1 Production of Electricity, Heating and Cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy</u></p> <p>Construction and operation of electricity generation facilities that produce electricity, heating and cooling from Solar Photovoltaic, Concentrated Solar Power (CSP), Wind Power and Ocean Energy.</p> <p>For Solar PV: The activity generates electricity using solar PV technology. For Concentrated Solar Power (CSP): The activity generates electricity using CSP technology. For Wind power: The activity generates electricity from wind power. For Ocean energy: The activity generates electricity from ocean energy.</p> <p><u>7.3.2 Production of Electricity, Heating and Cooling from Hydropower</u></p> <p>Construction and operation of electricity generation facilities that produce electricity, heating and cooling from Hydropower.</p> <p>The activity complies with either of the following criteria:</p> <ol style="list-style-type: none"> the electricity generation facility is a run-of-river plant and does not have an artificial reservoir the life-cycle GHG emissions from the generation of electricity from hydropower, including mixed pumped hydropower storage connected to a free-flowing water source are lower than 100gCO₂e/kWh. The life-cycle GHG emissions are calculated using ISO 14067:2018 or ISO 14064-1:2018. Quantified life-cycle GHG emissions are verified by an independent third party. the power density of the electricity generation facility is above 5 W/m².

ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION
	<p><u>7.3.3 Production of Electricity, Heating and Cooling from Geothermal</u></p> <p>Construction and operation of electricity generation facilities that produce electricity, heating and cooling from Geothermal.</p> <p>Any electricity, heating and cooling generation technology or cogeneration technology can be deemed an Eligible Project if it can be demonstrated, using an ISO 14067 or a GHG Protocol Product Lifecycle Standard-compliant Product Carbon Footprint (PCF) assessment, that the life cycle impacts for producing 1 kWh of electricity are below the declining threshold.</p> <p>A full PCF or GHG lifecycle assessment shall be applied, using project specific-data where relevant, and shall be subjected to review.</p> <p><i>Declining threshold: Facilities operating at life cycle emissions at or lower than 100gCO₂e/kWh, declining to net-0gCO₂e/kWh by 2050, are eligible.</i></p> <ul style="list-style-type: none"> • This threshold will be reduced every periodically 5 years in line with a South Africa’s net-zero CO₂e in 2050 trajectory climate mitigation target • Assets and activities must meet the threshold at the point in time when eligibility approval is sought <p>For activities which operate beyond 2050, it must be technically feasible to reach net-zero emissions in scope 1 emissions.</p> <p>For a given investment or activity to be compatible with this trajectory, its average emissions over its physical lifetime, or 40 years (whichever is shorter), must be lower than the threshold.</p> <p><u>7.3.4 Production of Electricity, Heating and Cooling from Bioenergy</u></p> <p>Construction and operation of electricity generation facilities that produce electricity, heating and cooling from Bioenergy (Biomass, Biogas and Biofuels).</p> <p>Production of electricity, heating and cooling from biofuels shall be assessed in relation to the relative fossil fuel comparator. Facilities operating above 80% of GHG emissions-reduction in relation to the relative fossil fuel comparator increasing to 100% by 2050, are eligible.</p> <p>This threshold will be reduced periodically every 5 years in line with South Africa’s net zero CO₂e in 2050 trajectory climate mitigation target. Assets and activities must meet the threshold at the point in time when eligibility approval is sought.</p> <p>For activities which go beyond 2050, it must be technically feasible to reach net-zero emissions.</p> <p>Anaerobic Digestion of Biowaste and Sewage Sludge are covered under separate activities within this UoP Framework. Any other anaerobic digestion of organic material, not covered under those activities, is eligible provided that:</p> <ul style="list-style-type: none"> • methane leakage from relevant facilities (e.g. for biogas production and storage, energy generation, digestate storage) is controlled by a monitoring plan. • the digestate produced is used as fertiliser/s oil improver directly or after composting or any other treatment. <p>Food or feed crops are not used as bio-based feedstock for this activity.</p> <p><u>7.3.5 Transmission and Distribution of Electricity</u></p> <p>Construction and operation of transmission Systems that transport the electricity on the extra high-voltage and high-voltage interconnected System.</p>




ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION
	<p>Construction and operation of distribution Systems that transport electricity on high-voltage, medium-voltage and low-voltage distribution Systems.</p> <p>Construction and operation of interconnections that transport electricity between separate systems.</p> <p>All electricity transmission and distribution infrastructure or equipment in systems which are on a trajectory to full decarbonisation* are eligible, except for infrastructure that is dedicated to creating a direct connection, or expanding an existing direct connection between a power production plant that is more CO₂ intensive than 100gCO₂e/kWh, measured on a LCE basis, and a substation or network.</p> <p>* A System is deemed to be on a trajectory to full decarbonisation if either:</p> <ul style="list-style-type: none"> • more than 67% of newly connected generation capacity in the System is below the generation threshold value of 100 gCO₂e/kWh measured on a PCF basis, over a rolling five-year period; or • The average System grid emissions factor is below the threshold value of 100gCO₂e/kWh measured on a PCF basis, over a rolling five-year average period. <p>These criteria will be subject to regular review, in line with reviews of generation threshold values and progress to decarbonisation.</p> <p>The following T&D grid related activities are eligible, irrespective of whether the system is on a pathway to full decarbonisation:</p> <ul style="list-style-type: none"> • Direct connection, or expansion of existing direct connection, of low carbon electricity generation below the threshold of 100 gCO₂e/kWh declining to 0gCO₂e/kWh in 2050, measured on a PCF basis, to a substation or network. • EV charging stations and supporting electric infrastructure for the electrification of transport, subject to taxonomy eligibility under the transport section. • Equipment and infrastructure where the main objective is an increase of the generation or use of renewable electricity generation • Equipment to increase the controllability and observability of the electricity system and enable the development and integration of renewable energy sources, this includes: <ul style="list-style-type: none"> – Sensors and measurement tools (including meteorological sensors for forecasting renewable production) – Communication and control (including advanced software and control rooms, automation of substations or feeders, and voltage control capabilities to adapt to more decentralised renewable infeed) • Equipment to carry information to users for remotely acting on consumption • Equipment to allow for exchange of renewable electricity between users • Interconnectors between transmission systems are eligible, provided that one of the systems is eligible. <p><i>Definitions and Notes:</i></p> <ol style="list-style-type: none"> 1. A system is defined as the transmission or distribution network control area of the network or system operator(s) where the activity takes place. 2. The annual average System grid emissions factor is calculated as the total annual emissions from power generation, divided by the total annual net electricity production in that System. 3. The rolling five-year (average) period used in determining compliance with the thresholds shall be based on historic data and shall include the year for which the most recent data is available. 4. Transmission Systems may include generation capacity connected to subordinated Distribution Systems. 5. Distribution Systems subordinated to a Transmission System that is deemed to

ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION
	<p><i>be on a trajectory to full decarbonisation may also be deemed to be on a trajectory to full decarbonisation.</i></p> <ol style="list-style-type: none"> 6. <i>To determine eligibility, it is possible to consider a System covering multiple control areas which are interconnected and with significant energy exchanges between them. In such a case, the weighted average emissions factor across all included control areas is used to determine eligibility, and individual subordinated transmission or distribution systems within this System will not be required to demonstrate compliance separately.</i> 7. <i>It is possible for a System to become ineligible after having previously been eligible. In Systems that become ineligible, no new T&D activities are eligible from that moment onward, until the system is again in compliance with the threshold (except for those activities which are always eligible, see above). Activities in subordinated Systems may still be eligible, if these subordinated Systems meet the criteria of this Taxonomy.</i> 8. <i>A direct connection or expansion of an existing direct connection to production plants includes infrastructure that is indispensable to carry the associated electricity from the power generating facility to a substation or network.</i> <p>7.3.9 Transmission and Distribution Networks for Renewable and Low-Carbon Gases</p> <p>Repurposing of gas networks for the distribution of gaseous fuels through a system of mains.</p> <p>Repurposing of gas networks for long-distance transport of renewable and low-carbon gases by pipelines.</p> <p>Construction or operation of transmission and distribution pipelines dedicated to the transport of hydrogen or other low-carbon gases.</p> <p>Low-carbon gases include biogas/biomethane and hydrogen produced from hydrogen that complies with the technical screening criteria for “Manufacture of Hydrogen”.</p> <ol style="list-style-type: none"> 1. The activity consists in one of the following: <ol style="list-style-type: none"> a) construction or operation of new transmission and distribution networks dedicated to hydrogen or other low-carbon gases; b) conversion/repurposing of existing natural gas networks to 100% hydrogen; and c) retrofit of gas transmission and distribution networks, where the main purpose is the integration of hydrogen and other low-carbon gases, including any gas transmission or distribution network activity, which enables the network to increase the blend of hydrogen or other low carbon gasses in the gas system; 2. The activity includes leak detection and repair of existing gas pipelines and other network elements to reduce methane leakage.
<p>ENERGY EFFICIENCY</p> <p><i>Environmental Objectives</i> <i>Climate Change Mitigation</i> <i>Climate Change</i> <i>Adaptation</i></p> 	<p>7.2.1 Manufacture of low carbon and resource efficiency technologies</p> <p>Manufacture of low carbon and resource efficiency technologies</p> <ul style="list-style-type: none"> • Manufacturing of products, key components, and machinery that are essential for eligible renewable energy technologies • Manufacture of eligible low carbon transport vehicles, fleets and vessels. • Manufacture of eligible energy efficiency equipment • Manufacture of other low carbon technologies that result in substantial GHG emission reductions in other sectors of the economy (including private households) <ol style="list-style-type: none"> 1. Manufacture of products, key components and machinery that are essential for eligible renewable energy technologies (Geothermal Power, Hydropower, Concentrated Solar Power (CSP), Solar Photovoltaic (PV), Solar thermal energy

ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>for district heat production, Wind energy, Ocean energy, bioenergy technologies that meet the conversion efficiency requirements and green hydrogen and hydrogen electrolysis installation)</p> <p>2. Manufacture of low carbon transport vehicles and their respective key components, fleets and vessels meeting the following criteria is eligible:</p> <p><i>Passenger cars, light commercial vehicles, Category M1 and N1:</i></p> <ul style="list-style-type: none"> • Until 31 December 2025: vehicles with tailpipe emission intensity of max 50 gCO₂/km (WLTP). This also includes zero tailpipe emission vehicles (e.g. electric, hydrogen). • From 1 January 2026 onwards: only vehicles with emission intensity of 0gCO₂/km (WLTP). <p><i>For category L vehicles:</i></p> <ul style="list-style-type: none"> • Zero tailpipe emission vehicles (incl. hydrogen, fuel cell, electric). <p><i>Heavy Duty Vehicles: N2 and N3 vehicles:</i></p> <ul style="list-style-type: none"> • Zero direct emission heavy-duty vehicles that emits less than 1gCO₂/kWh (or 1gCO₂/km for certain N2 vehicles); • low-emission heavy-duty vehicles with specific direct CO₂ emissions of less than 50% of the reference CO₂ emissions of all vehicles in the same sub-group. <p><i>Rail Fleets:</i></p> <ul style="list-style-type: none"> • Zero direct emissions trains <p><i>Urban, suburban and interurban passenger land transport fleets:</i></p> <ul style="list-style-type: none"> • Zero direct emissions land transport fleets (e.g. light rail transit, metro, tram, trolleybus, bus and rail) <p><i>Water transport:</i></p> <ul style="list-style-type: none"> • Zero direct emissions waterborne vessels. • until 31 December 2025, are hybrid vessels using at least 50% of zero direct (tailpipe) CO₂ emission fuel mass or plug-in power for their normal operation; <p>3. Manufacture of the following products (with thresholds where appropriate) for energy efficient equipment for buildings and their key components is eligible:</p> <ul style="list-style-type: none"> • Installation of Building Management Systems (BMS) • High efficiency windows (U-value better than 0.7 W/m²K); U-value measures thermal transmittance; the lower the U-value, the better the insulation • High efficiency doors (U-value better than 1.2 W/m²K) • Insulation products with low thermal conductivity (lambda lower or equal to 0.045 W/mK), external cladding with U-value at or lower than 0.5 W/m²K and roofing systems with U-value at or lower than 0.3 W/m²K) • Hot water fittings (e.g. taps, showers) that are rated in the top class of the Water Efficiency Labelling and Standards (WELS) scheme. • Household appliances (e.g. washing machines, dishwashers) rated in the top available class according to South African Energy Efficiency Labelling²³ • High efficiency lighting appliances rated in the highest energy efficiency class that is in the energy efficiency label (or higher classes) according to South African Energy Efficiency Labelling

²³ [A Guide for Energy Efficiency Labelling](#)

ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION
	<ul style="list-style-type: none"> • Presence and daylight controls for lighting systems • Highly efficient space heating and domestic hot water systems rated in the highest energy efficiency class significantly populated in the energy efficiency label (or higher classes) according to South African Energy Efficiency Labelling • Highly efficient cooling and ventilation systems rated in the highest energy efficiency class significantly populated in the energy efficiency label or higher classes according to South African Energy Efficiency Labelling • Heat pumps compliant with the criteria for heat pumps given in the energy section of the taxonomy • Façade and roofing elements with a solar shading or solar control function, including those that support the growing of vegetation • Energy-efficient building automation and control systems for commercial buildings. • Zoned thermostats and devices for the smart monitoring of the main electricity loads for residential buildings, and sensing equipment, e.g. motion control. • Products for heat metering and thermostatic controls for individual homes connected to district heating systems and individual flats connected to central heating systems serving a whole building. <p>4. The manufacture of low carbon technologies and their key components that result in substantial GHG emission reductions in other sectors of the economy (including private households) is eligible if they demonstrate substantial higher net GHG emission reductions compared to the best performing alternative technology/product/ solution available on the market on the basis of a recognised/standardised cradle-to-cradle carbon footprint assessment (e.g. ISO 14067, 14040, Environmental Product Declaration (EPD) or Product Environmental Footprint (PEF)) validated by a third party.</p> <p><u>7.3.6 Storage of Electricity</u></p> <p>Construction and operation of facilities that store electricity and return it at a later time, in the form of electricity.</p> <p>Currently all electricity storage activities are eligible, subject to regular review. Eligibility criteria for Demand Side Management (load shifting) activities are available under the “Transmission and Distribution of Electricity” criteria. However, hydropower pumped storage shall comply with the criteria for “Production of electricity, heating and cooling from Hydropower”.</p> <p><u>7.3.7 Storage of Thermal Energy</u></p> <p>Construction and operation of facilities that store thermal energy, and return it at a later time, in the form of thermal energy or other energy vectors.</p> <p>Currently all thermal energy storage is eligible under the UoP Framework including Thermal Energy Storage (UTES) or Aquifer Thermal Energy Storage (ATES), subject to regular review.</p> <p><u>7.3.8 Storage of Hydrogen</u></p> <p>Construction and operation of facilities that store hydrogen, and return it at a later time, in the form of hydrogen or other energy vectors.</p> <p>The activity is one of the following:</p> <ol style="list-style-type: none"> a) construction of hydrogen storage facilities. b) conversion of existing underground gas storage facilities into storage facilities dedicated to hydrogen-storage; c) operation of hydrogen storage facilities where the hydrogen stored in the facility meets the criteria for manufacture of hydrogen set out elsewhere in this UoP Framework.

ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION
	<p><u>7.3.10 District Heating/Cooling Distribution</u></p> <p>Construction and operation of pipelines and associated infrastructure for distribution of heating and cooling, ending at the sub-station or heat exchanger.</p> <p>Construction and operation of pipelines and associated infrastructure for distributing heating and cooling is currently eligible, if the system uses at least 50% renewable energy or 50% waste heat or 75% cogenerated heat or 50% of a combination of such energy and heat.</p> <p>The following activities are always eligible:</p> <ul style="list-style-type: none"> • Modifications to lower temperature regimes • Advanced pilot systems (control and energy management systems, Internet of Things) <p><u>7.3.11 Installation and Operation of Electric Heat Pumps</u></p> <p>Currently, installation and operation of electric heat pumps is eligible, if: Refrigerant threshold: GWP ≤ 675; and A minimum requirement is the implementation and adherence to a recognised environmental management system (ISO 14001 or equivalent)</p> <p><u>7.6.2 Data-Driven Solutions for GHG Emission Reductions</u></p> <p>Development and/or use of ICT solutions that are aimed at collecting, transmitting, storing data and at its modelling and use when these activities are exclusively aimed at the provision of data and analytics for decision making (by the public and private sector) enabling GHG emission reductions.</p>
<p>POLLUTION PREVENTION AND CONTROL²⁴</p> <p><i>Environmental Objectives Pollution Prevention and Control</i></p>   	<p><u>7.3.12 Production of Heating/Cooling using Waste Heat</u></p> <p>The activity produces heating/cooling from waste heat.</p> <p><u>7.4.3 Anaerobic Digestion of Sewage Sludge</u></p> <p>Treatment of sewage sludge in wastewater treatment plants or in other dedicated installation with the resulting production and utilisation of biogas.</p> <ol style="list-style-type: none"> 1. A monitoring plan is in place for methane leakage at the facility. 2. The produced biogas is used directly for the generation of electricity or heat or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle fuel or as feedstock in chemical industry. <p><u>7.4.4 Separate Collection and Transport of Non-Hazardous Waste in Source Segregated Fractions</u></p> <p>Separate collection and transport of non-hazardous waste is eligible provided that source segregated waste (in single or co-mingled fractions) is separately collected with the aim of preparing for reuse and/or recycling. No threshold applies.</p> <p><u>7.4.5 Anaerobic Digestion of Bio-Waste</u></p> <p>Treatment of separately collected bio-waste through anaerobic digestion in dedicated plants with the resulting production and utilisation of biogas and digestate.</p>

²⁴ Where a project is being considered for a category in addition to carbon financing or energy attribute certificates, double counting of allocation and impacts will be avoided.


ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION
	<p>Anaerobic digestion of bio-waste is eligible provided that (cumulative):</p> <ol style="list-style-type: none"> the bio-waste is source segregated and collected separately; methane leakage from relevant facilities (e.g. for biogas production and storage, energy generation, digestate storage) is controlled by a monitoring plan; the produced biogas is used directly for the generation of electricity and/or heat, or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle fuel (e.g. as bioCNG) or as feedstock in chemical industry (e.g. for production of H₂ and NH₃); the digestate produced is used as fertiliser/soil improver – directly or after composting or any other treatment; in dedicated bio-waste treatment plants, bio-waste shall constitute a major share of the input feedstock (at least 70%, measured in weight, as an annual average). Co-digestion is eligible only with a minor share (up to 30% of the input feedstock) of advanced bioenergy feedstock. If energy crop feedstock is used (with a minor share up to 30%) it shall comply with the National Environmental Management Act (No.107 of 1998) as amended, the National Environmental Management Air Quality (Act 39 of 2004), the National Environmental Management Waste Act (Act 59 of 2008) and the Gas Act (Act 48 of 2001). <p><u>7.4.6 Composting of Bio-Waste</u></p> <p>Treatment of separately collected bio-waste through composting (aerobic digestion) in dedicated facilities with the resulting production and utilisation of compost.</p> <p>Composting of bio-waste is eligible provided that (cumulative):</p> <ol style="list-style-type: none"> the bio-waste is source segregated and collected separately; anaerobic digestion is not a technically and economically viable alternative; the compost produced is used as fertiliser/soil improver²⁵ <p>No threshold applies.</p> <p><u>7.4.7 Material Recovery from Non-Hazardous Waste</u></p> <p>Sorting and processing of separately collected non-hazardous waste streams into secondary raw materials involving a mechanical transformation process.</p> <p>Material recovery from separately collected non-hazardous waste is eligible provided that:</p> <ol style="list-style-type: none"> it produces secondary raw materials suitable for substitution of virgin materials in production processes; at least 50%, in terms of weight, of the processed separately collected non-hazardous waste is converted into secondary raw materials. <p><u>7.4.8 Landfill Gas Capture and Utilisation</u></p> <p>Landfill gas capture and utilisation in permanently closed landfills using new (or supplementary) dedicated technical facilities and equipment installed during or post landfill closure.</p> <p>Collection and utilisation of landfill gas is eligible provided that (cumulative):</p> <ol style="list-style-type: none"> the landfill has not been opened after the date of entry into force of the South Africa Green Finance Taxonomy; the landfill (or landfill cell) where the system is newly installed (or extended and

²⁵ Bio-waste comprises biodegradable garden and park waste, food and kitchen waste from households, offices, restaurants, wholesale, canteens, caterers and retail premises and comparable waste from food processing plants.



ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION
	<p>/or retrofitted) is permanently closed and is not taking further waste;</p> <p>c) the produced landfill gas is used directly for the generation of electricity and/or heat, or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle fuel (e.g. as bioCNG) or as feedstock in chemical industry (e.g. for production of H₂ and NH₃);</p> <p>d) methane emissions from the landfill and leakages from the landfill gas collection and utilisation facilities are controlled by a monitoring plan.</p> <p>No threshold applies.</p> <p><u>7.4.9 Direct Air Capture of CO₂</u></p> <p>As direct air capture is energy-intensive, energy usage needs to be based on a low emission energy source. As a result, the overall life cycle emissions for scope 1 and 2 must be no more than 20% of the quantity of CO₂ removed to realise an 80% reduction in emissions.</p> <p><u>7.4.10 Capture of Greenhouse Gas Emissions</u></p> <p>Capture of greenhouse gas emissions is currently eligible provided that:</p> <p>a) It enables the economic activity to operate under its respective threshold; and</p> <p>b) It shows that the captured CO₂ will be offloaded to a Taxonomy eligible CO₂ transportation operation and permanent sequestration facility.</p> <p>This criterion is subject to regular review.</p> <p><u>7.4.11 Transport of CO₂</u></p> <p>Transport of captured CO₂ by rail, ship and pipeline.</p> <p>Transport modalities that contribute to the transport of CO₂ to eligible permanent sequestration sites are eligible, only if the asset operates below the leakage/tonne of CO₂ threshold.</p> <p>Leakage/tonne of CO₂ transported from head(s) of the transport network to injection point(s) is <0.5%, and the CO₂ is delivered to a taxonomy-eligible permanent sequestration site or to other transport modalities which lead directly to an eligible permanent sequestration site are eligible.</p> <p>Assets or activities that enable carbon capture and utilisation (CCU) will deem all the connected elements of an existing transport network ineligible.</p> <p>Assets which increase the flexibility and management of an existing network, without expanding the network to include carbon capture and use activities is eligible.</p> <p>This criterion is subject to regular review.</p> <p><u>7.4.12 Permanent Sequestration of Captured CO₂</u></p> <p>Operation of a permanent CO₂ storage facility is eligible if the facility complies with ISO 27914:2017 for geological storage of CO₂. These requirements are subject to periodical review.</p> <p><u>Carbon Credits Markets</u></p> <p>Enabling the scaling of the voluntary and compliance carbon credits markets through development, financing, acquisition, implementation, investment in and/or R&D of projects that are otherwise eligible within this framework and that are developed under a methodology and standard that meet at least one of the following requirements:</p>



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	<ul style="list-style-type: none"> accredited under the International Carbon Reduction and Offset Alliance (ICROA); accredited under The Integrity Council for the Voluntary Carbon Market (ICVCM); accredited under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA); eligible as per section 19 of the South African Carbon Tax Act; – eligible under the standards for mitigation outcomes that are agreed on by parties to cooperative approaches under Article 6, paragraph 2 of the Paris Agreement; eligible under the Sustainable Development Mechanism under Article 6, paragraph 4 of the Paris Agreement; or eligible under other credible jurisdictional specific carbon pricing mechanisms. <p><u>Energy Attribute Markets</u></p> <p>Enabling the scaling of the voluntary and compliance energy attribute markets through the development, financing, acquisition, implementation, investment in and/or R&D of projects that are otherwise eligible within this framework, and that have been certified in terms of at least one of the following standards:</p> <ul style="list-style-type: none"> the Renewable Energy Certificate South Africa (administered by zaRECs (Pty) Ltd); the International Renewable Energy Certificate Standard (I-REC Product Code for Electricity, I-REC(E)); the Tradable Instrument for Global Renewables Registry; – the European Standard CEN-EN 16325 (based on Renewable Energy Directive 2018/2001(EU)); or other credible country-specific energy attribute certification schemes.
<p>ENVIRONMENTALLY SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES AND LAND USE</p> <p><i>Environmental Objectives Protection and Restoration of Biodiversity and Ecosystems</i></p>  	<p><u>7.1.1 Forestry and Land Rehabilitation</u></p> <p>Forestry and Land Rehabilitation includes the following activities, as defined further in the South Africa Green Finance Taxonomy: Afforestation, Reforestation, Existing Forest Management, Conservation Forestry, Rehabilitation and Restoration.</p> <p>Application of the Climate Bonds Initiative’s Forestry and Land Conservation & Restoration Criteria is demonstrated and disclosed at 10-year intervals through a forest management plan (or equivalent) that shall be reviewed by an independent third-party certifier and/or competent authorities.</p> <p>Verified GHG balance baseline is calculated for above-ground carbon pools, based on growth-yield curves for species per m³/year/ha, carbon convertible. Calculating the GHG balance baseline requires knowledge of the area, the species and number of trees (in case of afforestation and reforestation). Using the growth-yield curves, information will be given on the annual increment in m³/year/ha, which can be used for the basis of the GHG balance. The methodology is consistent with the approach in the Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories (IPCC Guidelines), it recommends recalculation of the amount of carbon sequestered; 1 ton of biomass representing approximately 0.5 tons of carbon. Further one ton of carbon equals 44/12 = 3.67 tons of carbon dioxide.</p> <p>Above ground Carbon stocks shall increase above carbon baseline over a period of not less than 20 years. Changes in carbon stocks should be disclosed based on growth yield curves in 10-year intervals through a forest management plan (or equivalent instrument) that shall be reviewed by an independent third-party certifier and/or competent authorities²⁶.</p>

²⁶ This threshold should apply considering the following force majeure clause: underperformance resulting from natural disturbance can be excluded from impacting on the achievement of the thresholds and will not result in non-compliance with the Taxonomy criteria.

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<p>CLEAN TRANSPORTATION</p> <p><i>Environmental Objectives</i> Climate Change Mitigation Climate Change Adaptation</p> 	<p><u>7.5.1 Commuter Road, Passenger Rail and Freight Rail Transport</u></p> <p><i>For Commuter road:</i></p> <p>The direct (tailpipe) CO₂ emissions of the vehicles are zero.</p> <p><i>For Passenger rail:</i></p> <p>1. The activity complies with one or both of the following criteria:</p> <ol style="list-style-type: none"> the trains and passenger coaches have zero direct (tailpipe) CO₂ emissions; the trains and passenger coaches have zero direct tailpipe CO₂ emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode). <p><i>For Freight Rail:</i></p> <p>1. The activity complies with one or both of the following criteria:</p> <ol style="list-style-type: none"> the trains and wagons have zero direct tailpipe CO₂ emission; the trains and wagons have zero direct tailpipe CO₂ emission when operated on a track with necessary infrastructure and use a conventional engine where such infrastructure is not available (bimode). <p>2. The trains and wagons are not dedicated to the transport of fossil fuels.</p> <p><u>7.5.2 Infrastructure for Low Carbon Transport</u></p> <p><i>Infrastructure for personal mobility, cycling logistics:</i></p> <p>The infrastructure that is constructed and operated is dedicated to personal mobility or cycle logistics: pavements, bike lanes and pedestrian zones, electrical charging and hydrogen refuelling installations for personal mobility devices.</p> <p><i>Infrastructure for rail transport</i></p> <p>1. The activity complies with one of the following criteria:</p> <ol style="list-style-type: none"> the infrastructure is either: <ol style="list-style-type: none"> electrified trackside infrastructure and associated subsystems: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems; new and existing trackside infrastructure and associated subsystems where there is a plan for electrification as regards line tracks, and, to the extent necessary for electric train operations, as regards sidings, or where the infrastructure will be fit for use by zero tailpipe CO₂ emission trains within 10 years from the beginning of the activity: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems; the infrastructure and installations are dedicated to transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transshipment of goods; infrastructure and installations are dedicated to the transfer of passengers from rail to rail or from other modes to rail. <p>2. The infrastructure is not dedicated to the transport or storage of fossil fuels.</p> <p><i>Infrastructure enabling low-carbon road transport and public transport</i></p>

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	<p>1. The activity complies with one of the following criteria:</p> <ul style="list-style-type: none"> a) the infrastructure is dedicated to the operation of vehicles with zero tailpipe CO₂ emissions: electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems (ERS); b) the infrastructure and installations are dedicated to transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transshipment of goods; c) the infrastructure and installations are dedicated to urban and suburban public passenger transport, including associated signalling systems for metro, tram and rail systems. <p>2. The infrastructure is not dedicated to the transport or storage of fossil fuels.</p> <p><i>Infrastructure enabling low carbon water transport</i></p> <p>1. The activity complies with one of the following criteria:</p> <ul style="list-style-type: none"> a) the infrastructure is dedicated to the operation of vessels with zero direct (tailpipe) CO₂ emissions: electricity charging, hydrogen-based refuelling; b) the infrastructure is dedicated to the performance of the port’s own operations with zero direct (tailpipe) CO₂ emissions; c) the infrastructure and installations are dedicated to transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transshipment of goods. <p>2. The infrastructure is not dedicated to the transport or storage of fossil fuels.</p> <p><i>Low carbon airport infrastructure</i></p> <p>1. The activity complies with one of the following criteria:</p> <ul style="list-style-type: none"> a) the infrastructure is dedicated to the operation of aircraft with zero tailpipe CO₂ emissions: electricity charging and hydrogen refuelling; b) the infrastructure is dedicated to the provision of fixed electrical ground power and preconditioned air to stationary aircrafts; c) the infrastructure is dedicated to the zero direct emissions performance of the airport’s own operations: electric charging points, electricity grid connection upgrades, hydrogen refuelling stations. <p>2. The infrastructure is not dedicated to the transport or storage of fossil fuels</p> <p><u>7.5.3 Passenger Cars, Road Commercial Vehicles and Road Freight Transport</u></p> <p>For heavy-duty vehicles</p> <ul style="list-style-type: none"> • Zero direct emission heavy-duty vehicles are eligible. • Low-emission heavy-duty vehicles with specific direct CO₂ emissions of less than 50% of the reference CO₂ emissions of all vehicles in the same sub-group are eligible. • Dedicated vehicles solely using advanced biofuels or renewable liquid and gaseous transport fuels of non-biological origin and as well as low indirect land-use change risk biofuels. • Fleets of vehicles dedicated to transport fossil fuels or fossil fuels blended with alternative fuels are not eligible. <p><u>7.5.4 Inland Passenger and Freight Water Transport</u></p> <ul style="list-style-type: none"> • Zero direct emissions inland waterway vessels are eligible subject to review every 5 years.


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	<ul style="list-style-type: none"> • Dedicated vessels solely using biofuels or renewable liquid and gaseous transport fuels. In addition, for an investment in new vessels, only vessels with efficiency corresponding to direct emissions below 95g CO₂e /pkm (including biogenic CO₂) are eligible. Eligibility should be reviewed latest by 2025. • Other Inland waterways vessels are eligible if direct emissions are below 50 g CO₂e emissions per passenger kilometre (g CO₂e/pkm) (or 92.6 g per passenger nautical mile (g CO₂e/pnm)). Eligibility should be reviewed in 2025. • Vessels that are dedicated to the transport of fossil fuels or any blended fossil fuels are not eligible even if meeting the criteria above.
<p>SUSTAINABLE WATER AND WASTEWATER MANAGEMENT</p> <p><i>Environmental Objectives</i> Sustainable Use and Protection of Water and Marine Resources</p>  	<p><u>7.4.1 Water Collection, Storage, Distribution, Treatment and Supply</u></p> <p>The front-to-end water collection, storage, distribution, treatment and supply system is eligible provided that its performance in terms of energy consumption per cubic meter of final water supply is high or substantially improved.</p> <p>Eligibility is demonstrated by adherence to one of two optional thresholds:</p> <ul style="list-style-type: none"> • Option 1: The front-to-end water supply, storage and distribution system has a high degree of energy efficiency characterised by an average energy consumption of the system (including abstraction, treatment and distribution) of 0.5 kwh per cubic meter billed/unbilled authorised water supply or less. • Option 2: The energy efficiency of the front-to-end water supply storage and distribution system is increased substantially by decreasing the average energy consumption of the system by at least 20% (including abstraction, treatment and distribution; measured in kwh per cubic meter billed/unbilled authorised water supply); <p>Or</p> <ul style="list-style-type: none"> • by closing the gap between the actual leakage of the water supply storage and distribution network and a given target value of low leakage by at least 20%. <p>The unit of measurement is the Infrastructure Leakage Index (ILI), the target value of low leakage is an ILI of 1.5.</p> <p><u>7.4.2 Centralised Wastewater Treatment</u></p> <p>Treatment of wastewater in centralized systems (including collection and wastewater treatment plants), substituting treatment systems causing high GHG emissions (e.g. onsite sanitation, anaerobic lagoons).</p> <p>Construction or extension of centralised wastewater systems including collection (sewer network) and treatment is eligible, provided that:</p> <ul style="list-style-type: none"> • the new wastewater treatment substitutes more GHG emission intensive wastewater treatment systems (such as pit latrines, septic tanks, anaerobic lagoons etc.). <p>No threshold applies.</p>
<p>CLIMATE CHANGE ADAPTATION</p> <p><i>Environmental Objectives</i> Climate Change Adaptation</p> 	<p><u>Climate-Resilient Infrastructure Upgrades</u></p> <p>The activity contributes to maintaining or enhancing the climate-resiliency of existing infrastructure, including the preparation for, response to and recovery from the impacts of climate change or other climate-related disturbances, including examples such as:</p> <ul style="list-style-type: none"> • Improving water storage, distribution and resource management • Providing technical assistance, capacity building and advisory services • Upgrading roads and bridges with flood-resistant materials (without constructing new roads where a road previously did not exist) • Providing finance for small-scale infrastructure or access to finance for larger projects

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<p>CIRCULAR ECONOMY ADAPTED PRODUCTS, PRODUCTION TECHNOLOGIES AND PROCESSES AND/OR CERTIFIED ECO-EFFICIENT PRODUCTS</p> <p><i>Environmental Objectives</i> <i>Transition to a Circular Economy</i></p>  	<p><u>7.2.2 Manufacture of Cement</u></p> <p>The activity manufactures one of the following:</p> <ul style="list-style-type: none"> a) grey cement clinker where the specific GHG emissions²⁷ are lower than 0.722 tCO₂e per tonne of grey cement clinker; b) cement or alternative hydraulic binder, from grey clinker, where the specific GHG emissions²⁷ from the clinker and cement or alternative binder production are lower than 0.469 tCO₂e per tonne of cement or alternative binder manufactured; <p>Where CO₂ emitted from the manufacturing process is captured, the CO₂ is transported and stored underground, in accordance with the technical screening criteria set out in the “Transport of CO₂” and “Permanent Sequestration of Captured CO₂” sections of this Framework.</p> <p><u>7.2.3 Manufacture of Aluminium</u></p> <ul style="list-style-type: none"> a) The activity manufactures one of the following: <ul style="list-style-type: none"> i. primary aluminium where the economic activity complies with two of the following criteria until 2025 and with all of the following criteria after 2025: <ul style="list-style-type: none"> ii. the GHG emissions do not exceed 1.484 tCO₂ per ton of aluminium manufactured; iii. the average carbon intensity for the indirect GHG emissions²⁸ does not exceed 100gCO₂e/kWh; iv. the electricity consumption for the manufacturing process does not exceed 15.5 MWh/t Al. b) secondary aluminium. <p><u>7.2.4 Manufacture of Iron and Steel and Ferroalloys</u></p> <p>The activity manufactures one of the following:</p> <ul style="list-style-type: none"> a) iron and steel with GHG emissions lower than the following values applied to the different manufacturing process steps: <ul style="list-style-type: none"> i. hot metal = 1.331 tCO₂e/t product; ii. sintered ore = 0.163 tCO₂e/t product; iii. coke (excluding lignite coke) = 0.144 tCO₂e/t product; iv. iron casting = 0.299 tCO₂e/t product; v. electric Arc Furnace (EAF) high alloy steel = 0.266 tCO₂e/t product; vi. electric Arc Furnace (EAF) carbon steel = 0.209 tCO₂e/t product. b) steel in electric arc furnaces (EAFs) producing EAF carbon steel or EAF high alloy steel, and where the steel scrap input relative to product output is not lower than: <ul style="list-style-type: none"> i. 70% for the production of high alloy steel; ii. 90% for the production of carbon steel. <p>Where CO₂ emitted from the manufacturing process is captured, the CO₂ is transported and stored underground, in accordance with the technical screening criteria set out in the “Transport of CO₂” and “Permanent Sequestration of Captured CO₂” sections of this Framework.</p> <p><u>7.2.6 Manufacture of Other Inorganic Base Chemicals</u></p>

²⁷ Emissions boundary includes all processes directly or indirectly linked to the production of grey cement clinker are included

²⁸ Indirect greenhouse gas emissions are the life-cycle greenhouse gas emissions produced from the generation of the electricity used for the manufacturing of primary aluminium.

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	<p>Manufacture of carbon black, disodium carbonate (soda ash) and chlorine.</p> <p><i>For carbon black:</i> GHG emissions from the carbon black production processes are lower than 1.141 tCO₂e per tonne of product.</p> <p><i>For disodium carbonate:</i> GHG emissions from the disodium carbonate production processes are lower than 0.789 tCO₂e per tonne of product.</p> <p><i>For chlorine:</i> Electricity consumption for electrolysis and chlorine treatment is equal or lower than 2.45 MWh per tonne of chlorine.</p> <p>Average life-cycle GHG emissions of the electricity used for chlorine production is at or lower than 100gCO₂e/kWh.</p> <p>Life-cycle GHG emissions are calculated using ISO 14067:2018 or ISO 14064-1:2018.</p> <p>Quantified life-cycle GHG emissions are verified by an independent third party.</p> <p><u>7.2.7 Manufacture of Other Organic Base Chemicals</u></p> <p>Manufacture of:</p> <ul style="list-style-type: none"> • <i>High volume chemicals:</i> acetylene, ethylene, propylene, butadiene, hydrogen • <i>Aromatics:</i> Mixed alkylbenzenes, mixed alkylnaphthalenes other than HS 2707 or 2902 , Cyclohexane, Benzene, Toluene, o-Xylene, p-Xylene, m-Xylene and mixed xylene isomers, Ethylbenzene, Cumene, Biphenyl, terphenyls, vinyltoluenes, other cyclic hydrocarbons excluding cyclanes, cyclenes, cycloaterpenes, benzene, toluene, xylenes, styrene, ethylbenzene, cumene, naphthalene, anthracene, Benzol (benzene), toluol (toluene) and xylol (xylenes), Naphthalene and other aromatic hydrocarbon mixtures (excluding benzole, toluole, xylole), Vinyl chloride, Styrene, Ethylene oxide, Monoethylene, glycol, Adipic acid • <i>Organic chemicals, which fall under the following:</i> Saturated acyclic monocarboxylic acids and their derivatives, Unsaturated monocarboxylic, cyclanic, cyclenic or cycloaterpenic acyclic polycarboxylic acids and their derivatives, Aromatic polycarboxylic and carboxylic acids with additional oxygen functions; and their derivatives, except salicylic acid and its salts. <p>GHG emissions from the organic basic chemicals production processes are lower than:</p> <ol style="list-style-type: none"> a) for HVC: 0.693 tCO₂e/t of HVC; b) for aromatics: 0.0072 tCO₂e/t of aromatic; c) for vinyl chloride: 0.171 tCO₂e/t of vinyl chloride; d) for styrene: 0.419 tCO₂e/t of styrene; e) for ethylene oxide/ethylene glycols: 0.314 tCO₂e/t of ethylene oxide/glycol; f) for adipic acid: 0.32 tCO₂e /t of adipic acid. <p>Where the organic chemicals in scope are produced wholly or partially from renewable feedstock, the life-cycle GHG emissions of the manufactured chemical, manufactured wholly or partially from renewable feedstock, are lower than the life-cycle GHG emissions of the equivalent chemical manufactured from fossil fuel feedstock.</p> <p>Life-cycle GHG emissions are calculated using ISO 14067:2018 or ISO 14064-1:2018.</p> <p>Quantified life-cycle GHG emissions are verified by an independent third party.</p>

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	<p>Food or feed crops are not used as bio-based feedstock for the manufacture of organic basic chemicals.</p> <p><u>7.2.8 Manufacture of Fertilizers and Nitrogen Compounds</u></p> <p>Manufacture of Anhydrous ammonia and Nitric acid.</p> <p>Ammonia is produced from hydrogen that complies with the technical screening criteria set out under the “Manufacture of Hydrogen” section of this UoP Framework.</p> <p>GHG emissions from the manufacture of nitric acid are lower than 0.038 tCO₂e per tonne of nitric acid.</p> <p><u>7.2.9 Manufacture of Plastics in Primary Form</u></p> <p>The plastic in primary form is one of the following:</p> <ul style="list-style-type: none"> a) fully manufactured by mechanical recycling of plastic waste; b) fully manufactured by chemical recycling of plastic waste and the life-cycle GHG emissions of the manufactured plastic, excluding any calculated benefit from the production of fuels, are lower than the life-cycle GHG emissions of the equivalent primary plastic manufactured from fossil fuel feedstock. <p>Life-cycle GHG emissions are calculated using ISO 14067:2018 or ISO 14064-1:2018.</p> <p>Quantified life-cycle GHG emissions are verified by an independent third party.</p> <ul style="list-style-type: none"> c) derived wholly or partially from renewable feedstock and its life-cycle GHG emissions are lower than the life-cycle GHG emissions of the equivalent plastics in primary form manufactured from fossil fuel feedstock. <p>Life-cycle GHG emissions are calculated using ISO 14067:2018 or ISO 14064-1:2018.</p> <p>Quantified life-cycle GHG emissions are verified by an independent third party.</p> <p>Food or feed crops are not used as bio-based feedstock for the manufacture of plastic in primary form.</p>
<p>GREEN BUILDINGS</p> <p><i>Environmental Objectives</i> <i>Climate Change Mitigation</i> <i>Climate Change</i> <i>Adaptation</i></p> 	<p><u>7.7.1 Construction of New Buildings (Top-Level)</u></p> <p>Constructions of new buildings for which the ambition is to meet a ‘net zero’ or ‘top-level’, definition:</p> <ol style="list-style-type: none"> 1. Self-reported performance: <ul style="list-style-type: none"> a) Energy demand performance resulting from the construction of a building in kWh/m²/annum, is maximised (>40% lower than the Energy Used Intensity (EUI) stipulated in the latest version of SANS 10400-XA for the relevant occupancy class of the building), incorporating maximised energy demand management measures. b) Use of on-site (for site sizing) and off-site renewables are maximised (to 100% renewable energy sourcing in total). c) No fossil based back-up power is utilised where possible <p>If not independently certified as part of a recognised scheme (as below), full performance evidence to be provided with demonstration of internal performance management and reporting controls, signed by a delegated authority, disclosed to investors and clients.</p> 2. Alternately, the energy performance is certified for: <ul style="list-style-type: none"> a) IFC EDGE Zero Carbon

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	<p>Or</p> <p>b) GBCSA Net Zero (Carbon Level 1, modelled), with substantive evidence that the requirements have been met:</p> <ul style="list-style-type: none"> i. >40% EUI threshold and maximised peak energy demand management measures ii. Maximised on-site and off-site renewables iii. No fossil-based back-up power <p>Or</p> <p>c) GBCSA Green Star Level 5 or better New Build with substantive evidence that 40% threshold has been met within the Energy category</p> <p>Or</p> <p>d) Other certification schemes that have been provided official recognition, confirmed and identified through the scheme inclusion in these metrics and thresholds as an alternative approach in future taxonomy updates.</p> <p>3. In either case 1 or 2, renewable energy generated on-site must be maximised in the first instance (including incorporation of storage), whereafter the purchase of off-site renewable energy is undertaken to make up 100% renewables supplied to the building. Off-site renewables may be sourced through a variety of approaches, including market instruments provided the contributions from market instruments are fully traceable, independently verified, meet the Greenhouse Gas Protocol Scope 2 Quality Criteria and details disclosed to investors and clients.</p> <p>4. For commercial building larger than 2000 m², public building larger than 1000 m² and other building types (considered in aggregate for developments) larger than 5000 m², upon completion, the building resulting from the construction undergoes testing for air-tightness, thermal integrity and thermal management practices, and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients.</p> <p>5. For commercial building larger than 2000 m², public building larger than 1000 m² and other building types (considered in aggregate for developments) larger than 5000 m², the life cycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle, efforts to minimise this performance element is detailed, and the performance and efforts are disclosed to investors and clients.</p> <p>6. Where credible regulatory and/or voluntary carbon offsets are applied beyond the measures listed above, these must be sourced from the South African national registry or credible international offset registries providing access to verified carbon credits under standards endorsed by the International Carbon Reduction & Offset Alliance (ICROA). Details to be disclosed to investors and clients.</p> <p><u>7.7.1 Construction of New Buildings (Mid-Level)</u></p> <p>Constructions of new buildings for which the ambition is to meet a ‘mid-level’, definition:</p> <p>1. Self-reported performance: Energy demand resulting from the construction of a building in kWh/m²/annum, is a minimum of 40% lower than the Energy Used Intensity (EUI) stipulated in the latest version of SANS 10400-XA for the relevant occupancy class of the building.</p> <p>If not independently certified as part of a recognised scheme (as below), full</p>

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	<p>performance evidence to be provided with demonstration of internal performance management and reporting controls, signed by a delegated authority, disclosed to investors and clients.</p> <p>2. Alternately, the energy performance is certified for:</p> <p>a) IFC EDGE Advanced (Level 2), with substantive evidence that the requirements have been met:</p> <ul style="list-style-type: none"> i. Maximised on-site and off-site renewables ii. No fossil-based back-up power <p>Or</p> <p>b) GBCSA Net Zero (Carbon Level 1, modelled), with substantive evidence that the requirements have been met:</p> <ul style="list-style-type: none"> i. >40% EUI threshold and maximised peak energy demand management measures ii. Maximised on-site and off-site renewables iii. No fossil-based back-up power <p>Or</p> <p>c) GBCSA Green Star Level 5 or better New Build, with substantive evidence that the requirements have been met:</p> <ul style="list-style-type: none"> i. that 40% threshold has been met within the Energy category ii. Maximised on-site and off-site renewables iii. No fossil-based back-up power where possible <p>Or</p> <p>d) Other certification schemes that have been provided official recognition, confirmed and identified through the scheme inclusion in these metrics and thresholds as an alternative approach in future taxonomy updates.</p> <p>3. In either case 1 or 2, on-site renewable energy generation should be maximised (for site sizing), with details disclosed to investors and clients.</p> <p>4. Consideration of on-site storage feasibility must be made, and rationale provided for storage sizing selected (including if none). This is to be disclosed to investors and clients.</p> <p>5. For commercial building larger than 2000 m², public building larger than 1000 m² and other building types (considered in aggregate for developments) larger than 5000 m², upon completion, the building resulting from the construction undergoes testing for air-tightness, thermal integrity and thermal management practices, and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients.</p> <p>7.7.1 Construction of New Buildings (Entry-Level)</p> <p>Constructions of new buildings for which the ambition is to meet a ‘entry-level’, definition:</p> <p>1. Self-reported performance: energy demand resulting from the construction of a building in kWh/m²/annum, is a minimum of 20% lower than the Energy Used Intensity (EUI) stipulated in the latest version of SANS 10400-XA for the relevant occupancy class of the building.</p>

ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION
	<p>If not independently certified as part of a recognised scheme (as below), full performance evidence to be provided with demonstration of internal performance management and reporting controls, signed by a delegated authority, disclosed to investors and clients.</p> <p>2. Alternately, the energy performance is certified for:</p> <p>a) IFC EDGE Certified (Level 1)</p> <p>Or</p> <p>b) GBCSA Green-Star Level 4 or better rating New Build, with substantive evidence the 20% threshold has been met</p> <p>Or</p> <p>c) Other certification schemes that have been provided official recognition, confirmed and identified through the scheme inclusion in these metrics and thresholds as an alternative approach in future taxonomy updates.</p> <p>Alternately, and only applicable to residential buildings of any type, on-site renewable energy generation has been installed (asset finance not to be double counted). This includes, for low-income, and social housing, solar water heaters (SWHs).</p> <p><u>7.7.2 Building Renovation and Major Refurbishment (Top-Level)</u></p> <p>Major renovations for buildings for which the ambition is to meet a ‘net zero’ or ‘top-level’, definition:</p> <p>1. Self-reported performance:</p> <p>a) Energy demand improvement through energy efficiency and demand management measures resulting from the renovation of a building in kWh/m²/annum, is maximised for the relevant occupancy class of the building.</p> <p>b) The renovation incorporates and maximises (to 100% in total) use of on-site (for site sizing) and off-site renewables.</p> <p>c) The renovation eliminates fossil-based back-up power.</p> <p>If not independently certified as part of a recognised scheme (as below), full performance evidence to be provided with demonstration of internal performance management and reporting controls, signed by a delegated authority, disclosed to investors and clients.</p> <p>2. Alternately, the energy performance is certified for:</p> <p>a) IFC EDGE Zero Carbon</p> <p>Or</p> <p>b) GBCSA Net Zero (Carbon Level 1, modelled), with substantive evidence that the requirements have been met:</p> <p>i. Maximising energy efficiency.</p> <p>ii. Maximised on-site and off-site renewables.</p> <p>iii. No fossil-based back-up power.</p> <p>Or</p> <p>c) GBCSA Net Zero or GBCSA Green Star Level 5 or better certification, with substantive evidence that the requirements have been met:</p>

ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION
	<ul style="list-style-type: none"> i. Maximising energy efficiency. ii. Maximised on-site and off-site renewables. iii. No fossil-based back-up power. <p>Or</p> <ul style="list-style-type: none"> d) Other certification schemes that have been provided official recognition, confirmed and identified through the scheme inclusion in these metrics and thresholds as an alternative approach in future taxonomy updates. <p>3. In either case, the renovation should incorporate renewable energy generation on-site, which must be maximised in the first instance (including incorporation of storage), whereafter the purchase of off-site renewable energy is undertaken to make up 100% renewables supplied to the building. Off-site renewables may be sourced through a variety of approaches, including market instruments provided the contributions from market instruments are fully traceable, independently verified, meet the Greenhouse Gas Protocol Scope 2 Quality Criteria and details disclosed to investors and clients.</p> <p>4. For commercial building larger than 2000 m², public building larger than 1000 m² and other building types (considered in aggregate for developments) larger than 5000 m², upon completion of the renovation, the building undergoes testing for air-tightness, thermal integrity and thermal management practices, and results and performance implications are disclosed to investors and clients.</p> <p>5. For commercial building larger than 2000 m², public building larger than 1000 m² and other building types (considered in aggregate for developments) larger than 5000 m², the life cycle Global Warming Potential (GWP) of the building (absolute and change due to the renovation; operational and decommissioning phases) resulting from the renovation has been calculated, efforts to minimise this performance element particular for the renovation materials is detailed, and the performance and efforts are disclosed to investors and clients.</p> <p>6. Where credible regulatory and/or voluntary carbon offsets are applied beyond the measures listed above, these must be sourced from the South African national registry or credible international offset registries providing access to verified carbon credits under standards endorsed by the International Carbon Reduction & Offset Alliance (ICROA). Details to be disclosed to investors and clients.</p> <p><u>7.7.2 Building Renovation and Major Refurbishment (Mid-Level)</u></p> <p>Major renovations for buildings for which the ambition is to meet a 'mid-level', definition:</p> <ul style="list-style-type: none"> 1. Self-reported performance: energy demand resulting from the renovation of a building in kWh/m²/annum, the Energy Used Intensity (EUI) is improved by 40% from building baseline, and peak energy demand measures are introduced towards maximisation of these. <p>If not independently certified as part of a recognised scheme (as below), full performance evidence to be provided with demonstration of internal performance management and reporting controls, signed by a delegated authority, disclosed to investors and clients.</p> <ul style="list-style-type: none"> 2. Alternately, the energy performance is certified for: <ul style="list-style-type: none"> a) IFC EDGE Advanced (Level 2) <p>Or</p>

ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION
	<p>b) GBCSA Net Zero (Carbon Level 1, modelled) or Green Star Level 5 or better certification, with substantive evidence that 40% threshold from building baseline requirement has been met, as well as improved peak energy demand management measures.</p> <p>Or</p> <p>c) Other certification schemes that have been provided official recognition, confirmed and identified through the scheme inclusion in these metrics and thresholds as an alternative approach in future taxonomy updates.</p> <p>3. In either case 1 or 2, the renovation should incorporate maximised on-site renewable energy generation (for site sizing), with details disclosed to investors and clients.</p> <p>4. Consideration of incorporation of on-site storage through the renovation must be made, and rationale provided for storage sizing selected (including if none). This is to be disclosed to investors and clients.</p> <p>5. For buildings larger than 5000 m², upon completion of the renovation, the building undergoes testing for air-tightness, thermal integrity and thermal management practices, and results and performance implications are disclosed to investors and clients.</p> <p><u>7.7.2 Building Renovation and Major Refurbishment (Entry-Level)</u></p> <p>Major renovations for buildings for which the ambition is to meet a ‘entry-level’, definition:</p> <p>1. Self-reported performance: energy demand resulting from the renovation of a building in kWh/m²/annum, the Energy Used Intensity (EUI) is improved by 20% from building baseline.</p> <p>If not independently certified as part of a recognised scheme (as below), full performance evidence to be provided with demonstration of internal performance management and reporting controls, signed by a delegated authority, disclosed to investors and clients.</p> <p>2. Alternately, the energy performance is certified for:</p> <p>a) IFC EDGE Certified (Level 1)</p> <p>Or</p> <p>b) GBCSA Net Zero or GBCSA Green-Star Level 4 or better rating. In either case with substantive evidence the 20% threshold from building baseline requirement has been met</p> <p>Or</p> <p>c) Other certification schemes that have been provided official recognition, confirmed and identified through the scheme inclusion in these metrics and thresholds as an alternative approach in future taxonomy updates.</p> <p>3. Alternately, and only applicable to residential buildings of any type, on-site renewable energy generation has been installed as part of the renovation (asset finance not to be double counted). This includes, for low-income, and social housing, solar water heaters (SWHs) introduction to structures.</p> <p><u>7.7.3 Individual Measures and Professional Services</u></p>

ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION
	<ol style="list-style-type: none"> 1. There are no defined metrics across the individual measures and professional services. The following individual measures are eligible if compliant with minimum requirements set for individual components and systems in the applicable national regulations. <ol style="list-style-type: none"> a) Addition of insulation to the existing envelope components, such as external walls, roofs (including green roofs), lofts, basements and ground floors (including measures to ensure air-tightness, measures to reduce the effects of thermal bridges and scaffolding) and products for the application of the insulation to the building envelope (mechanical fixings, adhesive). b) Replacement of existing windows with new energy efficient windows. c) Replacement of existing external doors with new energy efficient doors. d) installation and replacement of heating, ventilation and air-conditioning (HVAC) and water heating systems, including equipment related to district heating and cooling services, with highly efficient technologies; e) Replacement of inefficient boiler or stove with highly efficient condensing boiler. 2. The following individual measures are eligible if specific requirements are met: <ol style="list-style-type: none"> a) Replacement of old pumps with efficient circulating pumps b) Installation of efficient LED lighting appliances and systems. c) installation of low water and energy using kitchen and sanitary water fittings which comply with technical specifications set out in Appendix B: Technical Specification for Water Appliances within the South Africa Green Finance Taxonomy and, in case of shower solutions, mixer showers, shower outlets and taps, have a max water flow of 6 L/min or less attested by an existing label in the market. 3. The following individual measures are eligible: <ol style="list-style-type: none"> a) Installation of zoned thermostats, smart thermostat systems and sensing equipment, e.g. motion and day light control. b) Installation of Building Management Systems (BMS) and Energy Management Systems (EMS). c) Installation of charging stations for electric vehicles. d) Installation of smart meters for gas, heat, cool and electricity. e) Installation of façade and roofing elements with a solar shading, solar reflectivity or solar control function, including those that support the growing of vegetation. 4. The following individual measures are eligible if installed on-site as building services: <ol style="list-style-type: none"> a) Installation of solar photovoltaic systems (and the ancillary technical equipment). b) Installation of solar hot water panels (and the ancillary technical equipment). c) Installation, maintenance, repair and upgrade of heat pumps contributing to the targets for renewable energy in heating and cooling. d) Installation of wind turbines (and the ancillary technical equipment). e) Installation of solar transpired collectors (and the ancillary technical equipment). f) Installation of thermal or electric energy storage units (and the ancillary technical equipment). g) Installation of High Efficiency Micro CHP (combined heat and power) plant h) Installation of heat exchanger/recovery systems. 5. The following professional services are eligible:

ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION
	<p>a) Technical consultations (energy consultants, Green Star accredited professionals, EDGE experts, energy simulation, project management, production of EPC, dedicated training, etc.) linked to the individual measures mentioned above.</p> <p>b) Accredited energy audits and building performance assessments (EDGE auditors).</p> <p>c) Energy Management Services.</p> <p>d) Energy Performance Contracts.</p> <p>e) Energy Services provided by Energy Service Companies (ESCOs)</p> <p><u>7.7.4 Acquisition and Ownership</u></p> <ul style="list-style-type: none"> • For buildings built before 31 December 2020, the building has at least Energy Performance Certificate (EPC) class A. • Where the building is a large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW) it is efficiently operated through energy performance monitoring and assessment.

2.2.2. Social Eligible Categories and Eligibility Criteria

Below is an overview of the categories of Social Projects contemplated by South Africa under this UoP Framework. Here, South Africa outlines the intended categories of eligible social projects and anticipated social benefits, as well as the applicable eligibility criteria for each category under this UoP Framework.



A key element of defining a social project is clearly identifying and defining the benefitting target population(s) (see Annexure 2: Definitions of target populations in South Africa). With respect to the indicative target populations identified for the respective social investment categories below, the primary target populations that NT anticipates will benefit have been included, however, the target population may vary depending on the specific context or the nature of the social asset/initiative. In some cases, the general population may be classified as the eligible target population based on the nature of the social asset/initiative and its intended impact on the general population.

Additionally, South Africa highlights how each category may advance specific UN Sustainable Development Goals ("SDGs"). The examples of projects included in the table below are for illustrative purposes and are not exhaustive. Any expenditure contained in the Estimates of National Expenditure that contributes to any of the social categories and meets the criteria is eligible under this UoP framework.







ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION	INDICATIVE TARGET POPULATION ²⁹
ACCESS TO ESSENTIAL SERVICES	<p><u>Education</u></p> <p><i>Basic Education (Early Childhood Development, Primary and Secondary Schooling)</i></p>	Learners and students accessing the public education system



²⁹ With respect to the target populations identified for the respective social categories, the primary target populations that are anticipated to benefit have been included for reference. One or more target population will need to benefit. The NT will provide disclosure on the exact benefitting target population in the applicable post-transaction reporting. It should be noted that as per the ICMA SBP and LMA SLP the general population may be noted as benefitting target population.

ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION	INDICATIVE TARGET POPULATION ²⁹
<p><i>Social Objectives</i> <i>Improved Living and Working Conditions</i></p>       	<p>Expenditures related to projects, programmes and/or initiatives focused on providing access to basic education. Examples of eligible projects include (but are not limited to):</p> <ul style="list-style-type: none"> Improving school infrastructure through the construction, maintenance, upgrading and rehabilitation of new and existing infrastructure. Initiatives that aim to eradicate mud schools and provide adequate infrastructure to schools that lack basic facilities such as the Accelerated Schools Infrastructure Delivery Initiative (ASIDI). Increasing the supply of quality teachers through initiatives like bursaries awards for teacher education. Projects providing high-quality learner and teacher support materials to enhance teaching and learning. National school nutrition programme to enable the provision of nutritious meals for school learners. Funding for programmes improving the quality and reach of early childhood development (ECD) services including subsidies and infrastructure support. <p><i>Social benefits: Access to quality basic education which results in enhanced educational outcomes.</i></p> <p><i>Higher education and training</i></p> <p>Expenditures related to projects, programmes and/or initiatives focused on providing access to higher education, vocational education and/or skills development training opportunities. Examples of eligible projects include (but are not limited to):</p> <ul style="list-style-type: none"> Developing and upgrading infrastructure at higher education institutions - Universities, Technical and Vocational Education and Training (TVET) colleges, Community Education and Training (CET) colleges. Providing bursaries and loans to students from low-income households through programmes like the National Student Financial Aid Scheme (NSFAS). Programmes targeting skills development to support the just energy transition. Skills Development Zones (SDZs) (local learning networks) focusing on three core value chains: in Mpumalanga (renewable energy and transmission); in the Eastern Cape (NEVs); and in the Northern Cape (GH2). <p><i>Social benefits: Increased access to post-school education and vocational training leading to improved employability of young people, and alignment of skills with the needs of the economy.</i></p>	<p>Students from low-income households Youth</p>
	<p><u>Healthcare</u></p> <p><i>Universal access to healthcare</i></p> <p>Expenditures related to projects, programmes and/or initiatives focused on increasing universal access to healthcare through the construction, development, maintenance, investment in, improvement of and/or provision of healthcare infrastructure. Examples of eligible projects include (but are not limited to):</p> <ul style="list-style-type: none"> Projects for upgrading and maintaining public hospital infrastructure, 	<ul style="list-style-type: none"> Communities in rural and/or underserved areas Low-income communities











ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION	INDICATIVE TARGET POPULATION ²⁹
	<p>ensuring modern, well-equipped facilities in urban and rural areas.</p> <ul style="list-style-type: none"> Projects aimed at establishing a universal healthcare system that ensures equitable access to quality healthcare services for all South Africans, irrespective of income level via national health insurance. Expansion of primary healthcare clinics i.e. building new clinics and upgrading existing ones, particularly in rural and underserved areas, to improve access to primary healthcare services. <p><i>Healthcare services</i></p> <p>Expenditures related to projects, programmes and/or initiatives focused on preventing diseases, promoting primary healthcare and/or supporting tertiary healthcare services. Examples of eligible projects include (but are not limited to):</p> <ul style="list-style-type: none"> Outreach services through the district health component. Funding for national campaigns and health programs aimed at reducing the incidence of HIV/AIDS and TB, with a focus on early diagnosis, treatment, and education. Projects aimed at improving maternal and child health through prenatal care, vaccination programs, and nutritional support. <p><i>Healthcare training and development</i></p> <p>Expenditures related to projects, programmes and/or initiatives focused on investing in the training and/or development of healthcare professionals, to ensure adequate healthcare workforce capacity. Examples of eligible projects include (but are not limited to):</p> <ul style="list-style-type: none"> Investments in training programmes for nurses, doctors, and healthcare professionals to expand the healthcare workforce, with a focus on addressing shortages in rural areas. Expanding programmes that train and employ community health workers to provide basic healthcare and education in marginalised communities. Programmes that support tertiary health care services through the national tertiary services grant. <p><i>Social benefits: Improved access, equity, efficiency, quality, and sustainability of health care resulting in improved health outcomes and reduced healthcare inequalities.</i></p>	
<p>AFFORDABLE HOUSING</p> <p><i>Social Objectives</i> Reduced Homelessness</p>  	<p><i>Access to Affordable Housing</i></p> <p>Expenditures related to projects, programmes and/or initiatives focused on the construction, development, maintenance, investment in and/or improvement of accessible affordable housing. Examples of eligible projects include (but are not limited to):</p> <ul style="list-style-type: none"> Provision of funding for the building of affordable housing in urban and rural areas, focusing on low- and middle-income households. Provision of funding for the construction and development of affordable rental housing for low-income earners, particularly in well-located urban areas close to employment opportunities. Programmes supporting underserved segments of the housing market by providing targeted finance-linked individual subsidies through the First Home Finance <i>programme</i> to qualifying households. <p><i>Social benefits: Increased access to decent and affordable housing,</i></p>	<ul style="list-style-type: none"> Low- and middle-income households Informal settlement residents Communities in rural and/or underserved areas Vulnerable populations



ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION	INDICATIVE TARGET POPULATION ²⁹
	<p><i>improved living conditions for low and middle-income households, and enhanced urban inclusion through better housing options.</i></p> <p><i>Upgrading of Informal Settlements</i></p> <p>Expenditures related to projects, programmes and/or initiatives focused on providing households in informal areas with secure tenure and access to basic services such as water and sanitation, lighting and/or refuse removal. Examples of eligible projects include (but are not limited to):</p> <ul style="list-style-type: none"> • Initiatives such as the Upgrading of Informal Settlements Programme (UISP) which is providing essential infrastructure in informal settlements, including clean water, sanitation, electricity, and housing. • Initiatives that aim to improve infrastructure in urban settlements, particularly targeting municipalities to deliver services and upgrade housing in informal areas supported by the Urban Settlements Development Grant (USDG). • Funds for the provision of project-level technical support to build capacity in provinces and municipalities towards developing comprehensive plans to upgrade informal settlements. <p><i>Social benefits: Enhanced living standards for informal settlement residents, reduced health risks, and greater access to basic services.</i></p> <p><i>Integrated Housing and Infrastructure Development</i></p> <p>Expenditures related to projects, programmes and/or initiatives focused on promoting the development and delivery of spatially integrated human settlements. Examples of eligible projects include (but are not limited to):</p> <ul style="list-style-type: none"> • Facilitating the creation of integrated housing developments where housing, schools, clinics, and transport infrastructure are developed concurrently to create inclusive, sustainable communities through initiatives such as the Integrated Residential Development Programme (IRDP). • Large-scale projects designed to create mixed-use, mixed-income developments that include affordable housing alongside commercial and social infrastructure. <p><i>Social benefits: Promotes socio-economic diversity within urban areas, improves access to amenities, and fosters more inclusive and sustainable urban development.</i></p> <p><i>Housing for Vulnerable Populations</i></p> <p>Expenditures related to projects, programmes and/or initiatives focused on building and providing access to housing for vulnerable populations. Examples of eligible projects include (but are not limited to):</p> <ul style="list-style-type: none"> • Providing temporary housing for households displaced by disasters, evictions, or other emergencies such as the Emergency Housing Programme. • Community Residential Units (CRU) Programme which supports low-income households, offering safe and affordable rental housing solutions, particularly for those unable to access formal housing markets. <p><i>Social benefits: Safeguards vulnerable populations by providing access to secure housing, thus improving resilience, reducing poverty, and fostering</i></p>	

ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION	INDICATIVE TARGET POPULATION ²⁹
<p>BASIC INFRASTRUCTURE</p> <p><i>Social Objectives</i> <i>Improved Living and Working Conditions</i></p>      	<p><i>community stability.</i></p> <p><u>Water and Wastewater Infrastructure</u></p> <p>Expenditures related to projects, programmes and/or initiatives focused on the construction development, maintenance, installation, investment in and/or improvement of water treatment facilities, pipelines, municipal water and sanitation infrastructure and/or reservoirs aimed at conserving water resources and providing clean water access. particularly in water-scarce regions. s. Examples of eligible projects include (but are not limited to):</p> <ul style="list-style-type: none"> • Targeted investments in water treatment facilities, pipelines, and reservoirs to provide reliable and clean water, especially in water-scarce areas. • Initiatives supporting municipal water and sanitation infrastructure projects aimed at underserved communities such as the Municipal Infrastructure Grant (MIG). • Construction of modern sanitation facilities in informal settlements, rural areas, and schools. • Rehabilitation of outdated sewage systems to improve sanitation services and minimise environmental contamination. <p><i>Social benefits: Increased access to clean water and sanitation, reduction in waterborne diseases, reduced health risks related to inadequate sanitation, and improved public health, particularly in disadvantaged communities.</i></p>	<ul style="list-style-type: none"> • Communities in rural and/or underserved areas • Informal settlement residents
	<p><u>Affordable and Sustainable Energy</u></p> <p>Expenditures related to projects, programmes and/or initiatives focused on electrification (including transmission and/or distribution) which aim to improve access to energy. Examples of eligible projects include (but are not limited to):</p> <ul style="list-style-type: none"> • Programmes that focus on the electrification of underserved communities through renewable energy sources such as solar, wind, and mini-grid systems. • Initiatives that focus on the installation of energy-efficient technologies and smart grids in low-income areas to reduce energy costs and improve access to reliable power. • Off-grid energy solutions for rural areas, including solar home systems and community-based renewable energy projects. • Projects that are aimed at electrifying rural areas and informal settlements using grid and off-grid solutions, with a strong focus on renewable energy such as the Integrated National Electrification Programme (INEP). <p><i>Social benefits: Increased access to affordable, clean energy; reduced reliance on fossil fuels; and improved living conditions, especially in rural and low-income urban areas.</i></p>	<ul style="list-style-type: none"> • Communities in rural and/or underserved areas • Low-income households
	<p><u>Affordable Public Transport</u></p> <p>Expenditures related to projects, programmes and/or initiatives focused on construction, development, maintenance, investment in and/or modernising public transportation infrastructure to improve accessibility. Examples of eligible projects include:</p> <ul style="list-style-type: none"> • Initiatives that focus on the development and upgrading of public 	<ul style="list-style-type: none"> • Low-income households • Communities in rural and/or underserved areas • Urban commuters

ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION	INDICATIVE TARGET POPULATION ²⁹
	<p>transportation networks, including buses, rail, and rapid transit systems, aimed at increasing accessibility especially low-income populations.</p> <ul style="list-style-type: none"> • Construction of cycling and pedestrian infrastructure to promote non-motorised transport options. • Investments in modernising South Africa’s passenger rail services to improve safety, accessibility, and affordability. • Supporting the expansion and enhancement of integrated public transport networks such as bus rapid transit (BRT) systems in major cities. <p>Expenditures related to the improvement in access, reliability, and/or quality of urban and rural transportation infrastructure. Examples of eligible projects include:</p> <ul style="list-style-type: none"> • Development, extension, maintenance and/or improvement of urban and rural roads and/or bridges <p><i>Social benefits: Increased integration of sustainable, affordable, reliable and safe transport.</i></p>	
	<p><u>Digital Infrastructure</u></p> <p>Expenditures related to projects, programmes and/or initiatives focused on the rollout of broadband internet into underserved areas to enable digital transformation and inclusion. Examples of eligible projects include (but are not limited to):</p> <ul style="list-style-type: none"> • The construction, extension, maintenance and/or improvement of telecommunications networks and related infrastructure to provide mobile coverage in underserved areas. • Supporting the roll out of broadband internet into underserved areas through the South African Connect project. <p><i>Social benefits: Promoting socioeconomic development by reducing the digital divide and enabling digital inclusion.</i></p>	<ul style="list-style-type: none"> • Communities in rural and/or underserved areas
<p>SOCIOECONOMIC ADVANCEMENT AND EMPOWERMENT</p> <p><i>Social Objectives</i> Adequate Social Protection</p>  	<p><u>Social Protection</u></p> <p>Financing of programs for the eradication of poverty, social protection, social welfare, and/or social development amongst the poor and/or vulnerable. Examples of eligible programmes include (but are not limited to):</p> <ul style="list-style-type: none"> • Social cash transfers including long-term social assistance grants and short-term cash transfers and in-kind support for households in distress or with insufficient means. • Social welfare services and income support including care and support for the elderly, child services, support services for people with disabilities, social behaviour change programmes (including those relating to substance abuse) and psychosocial services, such as providing support for victims of gender-based violence and femicide (GBVF). <p><i>Social benefits: Poverty reduction, reduced inequality and social inclusion and cohesions that supports more inclusive development outcomes.</i></p>	<ul style="list-style-type: none"> • All children up to 18 and adults over 60 that pass the means test³⁰ • People with disabilities • Women and youth • Communities in rural and/or underserved areas

³⁰ Means test: The official process of measuring how much income a person has in order to decide if they should receive a social grant from the government. Further details provided in Annexure 1.

ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION	INDICATIVE TARGET POPULATION ²⁹
       	<p><u>An Inclusive Rural Economy</u></p> <p>Financing of programmes, measures to promote and/or develop an integrated and inclusive rural economy to support socioeconomic growth. Examples of eligible programmes include (but are not limited to):</p> <ul style="list-style-type: none"> • Implementation of the agri-parks model to create capacity in agro-progressing and industrialisation value chains for broad-based job creation and market access opportunities. • The comprehensive agricultural support programme grant to fund activities aimed at improving agricultural production. • Social organisation, youth development and economic upliftment programs. <p><i>Social benefits: Socioeconomic growth, poverty reduction and general employment.</i></p>	
<p>EMPLOYMENT GENERATION</p> <p><i>Social Objectives</i> Improved Living and Working Conditions</p>  	<p>Financing of programmes to support and provide employment generation and/or to alleviate unemployment from socioeconomic crises and/or climate transition projects. Examples of eligible programs include (but are not limited to):</p> <ul style="list-style-type: none"> • Providing financial and technical assistance to young entrepreneurs and youth cooperatives • Providing financial and technical assistance to SMMEs • Employment and livelihood support intervention programs • Programmes providing employment opportunities to people with disabilities • Programmes supporting workers and communities affected by the transition away from coal which provide for alternative livelihoods • Programs supporting community-driven projects that transition people dependent on coal value changes to new economic opportunities <p><i>Social benefits: Reducing unemployment, poverty and inequality through employment creation and enterprise development.</i></p>	<ul style="list-style-type: none"> • Young entrepreneurs, informal & micro enterprises, cooperatives • Small, medium and micro enterprises (SMMEs) • Youth • Women • Unemployed individuals • People with disabilities
<p>FOOD SECURITY AND SUSTAINABLE FOOD SYSTEMS</p> <p><i>Social Objectives</i></p>	<p>Financing of programmes relating to the access of safe, nutritious, and sufficient food that meets dietary needs and requirements, resilient agricultural practices, reduction of food loss and waste, and/or improved productivity of small-scale producers. Examples of eligible programmes include (but are not limited to):</p>	<ul style="list-style-type: none"> • Vulnerable populations • Smallholder farmers • Communities in

ICMA/LMA CATEGORY	ELIGIBILITY CRITERIA FOR PROJECT SELECTION	INDICATIVE TARGET POPULATION ²⁹
<p><i>Reduced Hunger</i></p>  	<ul style="list-style-type: none"> • Initiatives to provide healthy and nutritious food services to vulnerable populations • Programs focused on agricultural transformation to promote food security • Programs promoting sustainable agriculture • Programs to reduce malnutrition and infant mortality • School meal programs to help prevent school dropout • Programs that promote integrated rural development • Programs focused on the development of farmers with a specific focus on small-scale producers <p><i>Social benefits: Support the provision of nutritious food to the poor and vulnerable.</i></p>	<p>rural and/or underserved areas</p>

2.2.3. Exclusions

For the avoidance of doubt, South Africa will explicitly exclude from Eligible Projects any financing for purposes within the following sectors:

- Exploration, production/refining and/or storage of fossil fuels, fossil fuel power generation and infrastructure dedicated to the transport of fossil fuels
- Alcohol, gambling, tobacco, and adult entertainment
- Weapons and defense-related goods and expenditures
- Child labour or forced labour
- Any activity that is illegal according to any applicable laws or regulations where the project operates or where the financing is utilised
- Nuclear power generation
- Deforestation and degradation of forests

2.2.4. DNSH and MS Considerations

In addition to the technical screening criteria set out in the South Africa Green Finance Taxonomy, economic activities should also be evaluated against Do No Significant Harm (DNSH) and Minimum Social Safeguards (MSS) requirements in order to prove full Taxonomy-alignment.

On a best-efforts basis, South Africa will collect DNSH and MSS information for each Eligible Project receiving allocations, to be included in post-issuance reporting (as per Section 2.5 below), as set out in the South Africa Green Finance Taxonomy for each economic activity.

2.2.5. Comparison Between South Africa's Green Finance Taxonomy and the EU Taxonomy

As outlined by National Treasury in November 2022³¹, a comparison study between the EU Green Taxonomy and the South Africa Green Finance Taxonomy, undertaken by independent international experts who were part of the EU Platform on Sustainable Finance, found that both taxonomies pursue the climate ambition of a net-zero

³¹ Source: [National Treasury Media Statement, 2022](#)

economy to 2050 as a core environmental objective, and have a very high degree of similarity between the criteria specified at the level of individual economic activities.

Overall, for the criteria of significant contribution to climate change mitigation and adaptation, the South Africa Green Finance Taxonomy has very similar and more ambitious and/or more detailed criteria as compared to the EU Taxonomy for 85% of all matched economic activities (71% for significant contribution to climate change mitigation and 99% for climate change adaptation).

The areas of divergence are primarily where adaptations were made for the South Africa context, which allows 5 or 10 years for the activity to meet the thresholds within an investment plan. This approach contrasts with the EU approach which does not incorporate investment plans and only focuses on economic activities which are currently green. For Green buildings, the SA Green Finance Taxonomy sets out three levels of eligibility (top-level equivalent to net-zero level, middle-level, and entry-level) while the EU Taxonomy has one tier only.

The EU taxonomy requires mandatory disclosures through the EU Taxonomy Regulation whereas the SA taxonomy is currently voluntary, although work on incorporating the Green Finance Taxonomy into formal regulatory instruments is being undertaken. The EU have recently taken steps to include, under specific criteria and time frames, nuclear and gas in their taxonomy, whilst these transitional elements are currently excluded from the SA taxonomy, but may be incorporated in future interactions.

2.3. Process for Project Evaluation and Selection

South Africa is establishing an internal process to evaluate Eligible Projects based on compliance with the eligibility criteria set out in Section 2.2.

The evaluation and selection process will be governed by South Africa's Sustainable Finance Working Group (SFWG), to be formed by representatives from key departments and ministries.

The SFWG will be chaired by South Africa's National Treasury and forms a key component of the governance around project evaluation and selection under South Africa's UoP Framework. The SFWG intends to meet twice a year. Ad-hoc meetings may also be held as and when required.

As required, the composition of the SFWG may be adjusted over time, under the oversight of South Africa's National Treasury, to ensure that key stakeholders of projects which have received (or are expected to receive) material allocations under this UoP Framework are integrated into the project evaluation and selection process and related sustainable finance governance. As such, as required additional attendees can be nominated by the SFWG on an ad-hoc basis.

The SFWG will be responsible for:

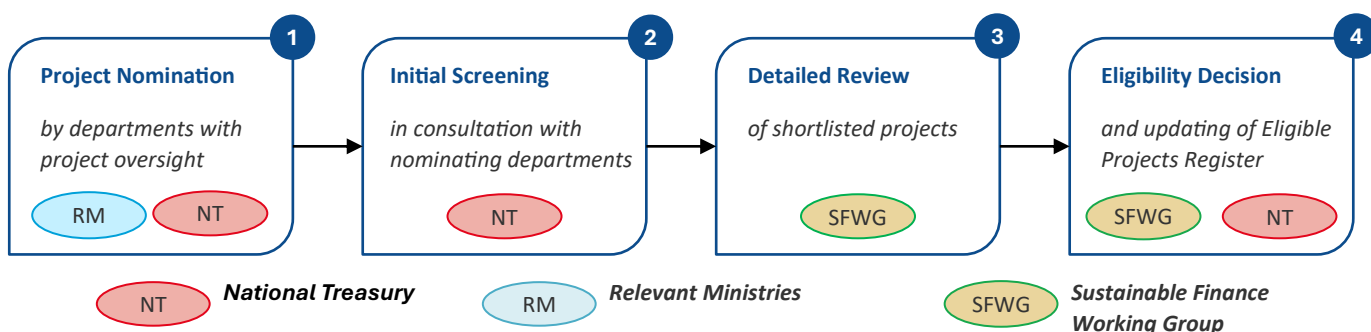
- Ensuring the proposed Eligible Projects are aligned with the categories and eligibility criteria as specified in Section 2.2, thereby adding them to the Eligible Project Register as appropriate
- Monitoring the Eligible Project Register over the lifetime of the UoP Financing Instruments
- Approving any proposed changes to the Eligible Project Register in the event that the projects no longer meet the eligibility criteria (e.g. following divestment, liquidation,

technology switch, concerns regarding ongoing alignment with eligibility criteria etc.), are cancelled or are delayed

- Determining whether Eligible Projects include satisfactory governance, and in the absence of which approving any proposed re-allocations to other Eligible Projects if deemed necessary.
- Reviewing and approving allocation and impact reports
- Overseeing any future updates to the UoP Framework, to ensure South Africa remains aligned to best market practices, evolving regulations, and stakeholder expectations

2.3.1. Initial Project Evaluation & Selection – Compilation of Eligible Project Register

Below is an illustration of the initial project evaluation and selection process and related governance:



2.3.1.1. Project Nomination

All ministries and departments are invited to nominate potentially eligible projects to National Treasury for further consideration. Ministries are requested to make nominations at least annually, in connection with their ordinary course budgetary planning cycle, but may also nominate projects for consideration on an ad-hoc basis throughout the year.

Project information may also be collected via National Treasury’s pre-existing budgetary planning process with each department, in addition to department-driven nominations.

2.3.1.2. Initial Screening

National Treasury will be responsible for the initial screening of nominated projects against the eligibility criteria of this UoP Framework, and will follow up with relevant ministries to clarify any questions regarding eligibility as required, before shortlisting them for further consideration by the SFWG.

As part of this initial screening, National Treasury will also consider which eligible Green and/or Social category the project is considered to fall into, any material environmental or social risks associated with the project, how these were assessed, and what the key mitigants are for any residual risks. This also includes a consideration of whether projects which may impact local communities (e.g. infrastructure projects) required an environmental impact assessment or community consultation and if any potential controversies have been identified together with potential mitigants.

2.3.1.3. *Detailed Review*

National Treasury will share the nominated project shortlist with the SFWG in order for them to consider not only whether the technical criteria for project eligibility under this UoP Framework have been met, but also whether any environmental and social risks associated with a project requires further diligence from the relevant ministry, together with potential mitigants.

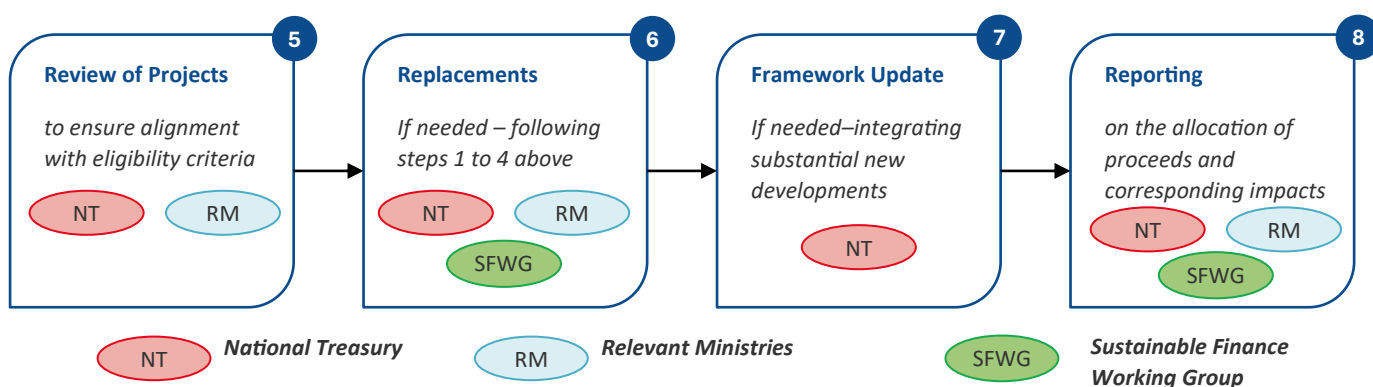
2.3.1.4. *Eligibility Decision*

Where a project has been determined by the SFWG, following the screening described above, to be an Eligible Project, it will confirm to National Treasury that it can add the screened project to the register of Eligible Projects which is maintained by National Treasury for the purposes of proceeds tracking (the “Eligible Projects Register”). National Treasury will inform the relevant ministry that its project has been added to the Eligible Projects Register and will confirm with the relevant ministry what impact metrics it expects to be able to report on to National Treasury for compilation of its allocation and impact report during the subsequent reporting cycle.

Green and social category eligibly are mutually exclusive, and projects are not required to demonstrate alignment with both green and social category criteria simultaneously. Should an Eligible Project have both green and social benefits, thus qualifying for more than one type of instrument, National Treasury, with approval from the SFWG, will decide whether the Eligible Project will be matched against proceeds from a green, a social or a sustainability instrument. In certain cases, an Eligible Project may be allocated proceeds from more than one instrument, but the proceeds split will be determined through internal governance processes/approvals and documented in external allocation reporting to avoid any potential double counting.

2.3.2. **Ongoing Review and Preparation for Annual Reporting**

Below is an illustration of the governance process for ongoing review of eligible projects and compliance with UoP Framework reporting undertakings:



2.3.2.1. *Review of Projects*

Prior to the preparation of allocation and impact reports, National Treasury will reconfirm that projects against which proceeds have been or will be allocated have not changed materially and remain in compliance with the technical eligibility criteria under this UoP Framework.

2.3.2.2. *Replacements*

Should a project previously included on the Eligible Projects Register no longer meet the eligibility criteria under this UoP Framework, National Treasury will inform the SFWG, and proceeds will be reallocated to Eligible Projects as soon as possible, on a best-efforts basis.

2.3.2.3. *Framework Update*

National Treasury will review this UoP Framework on an annual basis to consider whether there have been any substantial changes in relevant legislation, the sustainable finance market or South Africa's sustainability strategy which might merit integration into an updated UoP Framework. If it is determined that updates to the UoP Framework are required, the SFWG will be made aware prior to any amendments, and National Treasury will confirm with the existing or relevant second party opinion provider any updates to the SPO which may be required.

2.3.2.4. *Reporting*

Prior to the preparation of allocation and impact reports, National Treasury will confirm final project spend and collate impact data. National Treasury will compile the draft allocation and impact report and share with the external reviewer (detailed below in Section 2.6). Following external reviewer input, National Treasury will present the draft allocation and impact reports to the SFWG for comment, following which National Treasury will coordinate report publication.

2.4. **Management of Proceeds**

An amount equivalent to the net proceeds of any UoP Financing Instrument issuance under this UoP Framework will be matched to Eligible Projects per the eligibility criteria set out in Section 2.2. Allocations will be made on a notional basis. The Eligible Projects Register managed by National Treasury will reflect the working list of eligible projects based on the screening process described above, and will indicate the expenditures against which proceeds from any UoP Financing Instrument issuance have been matched. The Eligible Projects Register will therefore reflect the net proceeds from each UoP Financing Instrument issuance, the amount of proceeds matched against specified Eligible Projects, and the amount of proceeds remaining to be matched against Eligible Projects for each UoP Financing Instrument series.

Where a UoP loan takes the form of one or more tranches of a loan facility, each tranche applicable to the Eligible Project(s) shall be clearly labelled, with net proceeds, or an amount equivalent to the net proceeds, of the green/social tranche(s) tracked by National Treasury per the above process.

In the event that proceeds raised from UoP Financing Instruments remain unallocated (notwithstanding the commitment to allocate in section 2.2 **Error! Reference source not found.**), National Treasury will manage unallocated proceeds in line with its normal cash management guidelines.

South Africa will manage proceeds from any UoP Financing Instruments issuance on a per-issuance basis.

2.5. Reporting

South Africa is committed to reporting on any UoP Financing Instrument issuance under this UoP Framework in line with best market practice.

This reporting includes both allocation and impact reporting annually, until such time as the net proceeds from each issued UoP Financing Instrument have been fully allocated against Eligible Projects or as otherwise required by the relevant industry governing principles.

National Treasury will assume primary responsibility for South Africa's annual allocation and impact reports which will be subject to review by South Africa's SFWG prior to publication.

South Africa's post-issuance reporting will be made available on National Treasury's website.

2.5.1. Allocation Reporting

South Africa undertakes to make publicly available on its website, no later than one year following the date of issuance of any UoP Financing Instrument, an allocation report which includes at least the below details.

- Total net proceeds from any UoP Financing Instrument (listed by ISIN) which have been allocated to Eligible Projects and the total net proceeds from any UoP Financing Instrument issuance which remains unallocated
- Breakdown of the allocation of net proceeds from UoP Financing Instrument issuances between each of the Eligible Project categories set out in this UoP Framework (as applicable)
- Split of allocations between past projects receiving allocations in reliance under the refinancing lookback period under the UoP Framework vs new projects initiated post-issuance
- Breakdown of the allocation of net proceeds from UoP Bond issuances by GBP/SBP/SBG category

Due to the nature and number of the financed projects, information will be presented on an aggregated basis (i.e. percentage allocated to certain project categories) as a base-case – however, South Africa will endeavour on a best-efforts basis to provide granular detail on a project-by-project basis if possible.

2.5.2. Impact Reporting

South Africa will also use its best efforts to provide reporting on the expected impacts of the Eligible Projects receiving allocations from UoP Financing Instruments issued under this UoP Framework.

South Africa expects its impact reporting to be integrated with its allocation reporting described above and will reflect the recommendations (where feasible) contained in ICMA's June/September 2024 Harmonised Frameworks for Impact Reporting for Green Bonds³² and Social Bonds³³.

³² Available at <https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf>

³³ Available at <https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/ICMA-Handbook-Harmonised-Framework-for-Impact-Reporting-for-Social-Bonds-September-2024-250924.pdf>

The impact reports published by South Africa will contain, where relevant and feasible, information addressing the positive environmental and/or social impacts of Eligible Projects receiving allocations from UoP Financing Instruments issued under this UoP Framework and may include case studies or summaries of Eligible Projects against which proceeds have been matched.

The table below outlines the impact metrics that South Africa intends to use on a best-efforts basis, as applicable and to the extent feasible given the data available to it, in its impact reports. This list should be considered non-exhaustive, and South Africa may update these metrics or provide additional metrics in the future.

2.5.2.1. Green Project Categories

ICMA CATEGORY	SAMPLE IMPACT INDICATORS
RENEWABLE ENERGY	<ul style="list-style-type: none"> • Annual GHG emissions reduced/avoided in tonnes of CO₂ equivalent • Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy) • Additional capacity of renewable energy plant(s) constructed or rehabilitated in MW • Additional storage capacity constructed or rehabilitated in MWh/GWh • Number of people with access to clean energy services • Estimated number of jobs created • Kilometres of distribution and transmission network installed
ENERGY EFFICIENCY	<ul style="list-style-type: none"> • Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings) • Annual GHG emissions reduced/avoided in tonnes of CO₂ equivalent
POLLUTION PREVENTION AND CONTROL	<ul style="list-style-type: none"> • Waste that is prevented, minimised, reused or recycled before and after the project in % of total waste and/or in absolute amount in tonnes p.a. • Captured GHG emissions from waste management before and after the project in tCO₂e p.a. • Annual absolute (gross) amount of waste that is separated and/or collected, and treated (including composted) or disposed of (in tonnes p.a. and in % of total waste)
ENVIRONMENTALLY SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES AND LAND USE	<ul style="list-style-type: none"> • Avoided and/or sequestered GHG emissions (tCO₂e p.a.) • Increase in area under sustainable forest management (ha)/Area converted from conventional logging to reduced-impact logging practices (% of managed forestland)/Adoption of harvesting methods that minimise impacts on soil (% of managed forestland) • Maintenance/increase of provisions of ecosystems services: erosion control and improved soil health, quantity and quality of water (% of managed forestland)
CLEAN TRANSPORTATION	<ul style="list-style-type: none"> • Passenger-kilometres (i.e. the transport of one passenger over one kilometre) and/or passengers; or tonne-kilometres (i.e. the transport of one tonne over one kilometre) and/or tonnes • Annual GHG emissions reduced/avoided in tCO₂e p.a. • Reduction of air pollutants: particulate matter (PM), sulphur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO), and non-methane volatile organic compounds (NMVOCs)

ICMA CATEGORY	SAMPLE IMPACT INDICATORS
SUSTAINABLE WATER AND WASTEWATER MANAGEMENT	<ul style="list-style-type: none"> • Annual absolute (gross) water use before and after the project in m³/a, or reduction in water use in % • Annual absolute (gross) amount of wastewater treated, reused or avoided before and after the project in m³/a and p.e./a or as % • Annual absolute (gross) amount of raw/untreated sewage sludge that is treated and disposed of (in tonnes of dry solids p.a. and in %) • Annual absolute (gross) amount of sludge that is reused (in tonnes of dry solids p.a. and in %) • Additional number of people with access to safe drinking water
CLIMATE CHANGE ADAPTATION	<ul style="list-style-type: none"> • Increase in grid resilience, energy generation, transmission/distribution and storage in MWh • Reduction in the number of wildfires, and/or in the area damaged by wildfires in km² • Reduction in emergency and unplanned rail and tarmac replacement in km • Reduction in repair costs due to storms (to all kinds of infrastructure and assets) • Reduction in the number of customers/employees suffering loss of power/transport services • Reduction in the number of power lines incapacitated due to storms • Reduction in flood damage costs • Reduction in number of operating days lost to floods • Reduced/avoided water loss (in reservoirs/waterways/natural habitats etc.) in m³ • Reduction in land-loss from inundation and/or coastal erosion in km² • Additional water availability and/or increased water catchment in m³/year • Reduction in household demand for clean water in m³/year • Reduction in repair costs and/or operating days lost due to landslides • Increase in area under wetland management in km² • Reduction in the number of operating days lost to disrupted transport networks or other infrastructure • Reduction in changes in the nutrient and/or pH level for agricultural soils • Increase in agricultural land using more drought resistant crops in hectares • Area cultivated by precision agriculture in km²
CIRCULAR ECONOMY ADAPTED PRODUCTS, PRODUCTION TECHNOLOGIES AND PROCESSES AND/OR CERTIFIED ECO-EFFICIENT PRODUCTS	<ul style="list-style-type: none"> • % increase in materials, components and products that are eligible reusable, recyclable, and/or certified compostable as a result of the project and/or in absolute amount in tonnes p.a. • The increased proportion of circular materials produced as a % of the total material production of the project
GREEN BUILDINGS	<ul style="list-style-type: none"> • kWh/m² of Gross Building Area (GBA) p.a.; and % of energy use reduced/avoided vs local baseline/building code; and, if relevant % of renewable energy (RE) generated on site (specifying the relevant RE form) • kgCO₂/m² of GBA p.a.; • Annual GHG emissions reduced/avoided in tonnes of CO₂e vs local baseline/baseline certification level • % of carbon emissions reduced/avoided vs local baseline/baseline certification level • Number of buildings with green certification, which indicates the eligible certification level attained

2.5.2.2. Social Project Categories

ICMA CATEGORY	INDICATIVE IMPACT INDICATORS
ACCESS TO ESSENTIAL SERVICES	<p><u>Healthcare</u></p> <ul style="list-style-type: none"> • Number of healthcare facilities constructed, upgraded, or equipped • Number of individuals receiving healthcare services • Number of patients benefiting from universal health coverage (e.g. NHI) • Number of HIV/AIDS prevalence rate • Number of immunisation coverage • Number of “Out-of-Pocket” health expenditure <p><u>Education</u></p> <ul style="list-style-type: none"> • Number of schools constructed or upgraded, by tracking improvements in educational infrastructure, including classrooms, sanitation, and electricity access • Number of learners benefiting from improved educational facilities • Number of students supported through financial aid (e.g. NSFAS) • Number of early childhood development centres constructed or upgraded • Number of enrolment rates • Number of reductions in early school leaving • Number of employment outcomes for graduates • Number of parental and community involvement in education
AFFORDABLE HOUSING	<ul style="list-style-type: none"> • Number of housing units delivered including affordable and social housing units constructed or upgraded • Number of households benefiting from secure tenure by tracking the number of families gaining legal rights to land and housing • Number of informal settlements upgraded • Number of beneficiaries receiving subsidies under housing programmes
AFFORDABLE BASIC INFRASTRUCTURE	<ul style="list-style-type: none"> • Number of households/individuals with access to clean drinking water • Number of households/individuals with improved sanitation services • Number of renewable energy connections for underserved communities • Kilometres (km) of public transport networks developed or upgraded (e.g. BRT systems, rail). • Number of rural and underserved households connected to the grid • Reduction in travel time for low-income commuters that quantifies improvements in public transport accessibility and affordability • Km of roads rehabilitated / constructed • Number of households connected as part of the national broadband plan per year
SOCIOECONOMIC ADVANCEMENT AND EMPOWERMENT	<ul style="list-style-type: none"> • Number of eligible beneficiaries that benefitted from identified target populations • Number of grants in payment (including grant-in-aid) • Number of interventions to support economic empowerment, participation and ownership for women, youth and people with disabilities • Number of youth-owned enterprises supported with financial interventions • Number of young people supported with non-financial business development interventions • Number of young people participating in national youth service expanded volunteer projects
EMPLOYMENT GENERATION	<ul style="list-style-type: none"> • Number of jobs created, supported, and/or retained • Number of financed SMMEs • Number of youth employed • Number of disabled people employed
FOOD SECURITY AND SUSTAINABLE FOOD SYSTEMS	<ul style="list-style-type: none"> • Number of people provided with access to affordable, safe, nutritious, and sufficient food • Number of farmers benefitting from eligible programs • Number of students benefitting from school meal programs

2.6. External Review and Verification

2.6.1. Pre-issuance: Second Party Opinion

South Africa has obtained an independent Second Party Opinion (SPO) in line with international market practice from S&P Global to confirm the alignment of this UoP Framework with the relevant GBP, SBP, SBG, GLP and SLP.

South Africa will review this UoP Framework on a regular basis, including its alignment to updated versions of the above principles as and when they are released, with the aim of adhering to best practice. Such reviews may result in this UoP Framework being updated and amended, and any material updates are expected to be covered by an updated SPO.

The SPO and any future SPOs issued in respect of the UoP Framework will be made available to stakeholders, along with the relevant framework, on National Treasury's website.

2.6.2. Post-issuance: Verification of Annual Reporting

South Africa will engage a suitably qualified party to provide assurance in connection with each allocation report confirming the amount of proceeds matched to Eligible Projects and the amount remaining to be matched, as well compliance with the eligibility criteria set out in this UoP Framework.

The allocation reports published by South Africa, together with the external assurance report, will be made public on National Treasury's website.

ANNEXURES

Annexure 1: Supporting GHG Emissions Data

GHG Emissions Data

NATIONAL EMISSIONS (GGCO ₂ E), AR5 GWP ³⁴		
Year	(Excl. LULUCF)	(Incl. LULUCF)
2000	489,188.3	461,341.8
2001	488,403.0	470,879.0
2002	497,089.3	482,113.9
2003	512,629.3	479,771.2
2004	524,341.0	500,180.0
2005	522,561.1	521,900.5
2006	513,523.7	506,532.0
2007	535,109.5	517,905.4
2008	531,758.0	529,157.1
2009	546,704.2	523,853.2
2010	526,404.2	512,949.7
2011	526,587.9	505,911.9
2012	535,428.9	512,886.4
2013	521,646.0	487,319.7
2014	522,326.4	496,247.5
2015	514,934.3	511,144.2
2016	509,287.6	487,614.9
2017	501,406.2	498,503.3
2018	501,537.7	503,583.9
2019	500,904.6	476,302.8
2020	471,858.3	436,765.0
2021	487,755.3	465,346.7
2022	478,300.9	435,119.6

NATIONAL EMISSIONS (GGCO ₂ E) ³⁴			
Sector	2000	2020	2022
Energy	383,860.6	374,791.2	374,114.1
Industrial Processes and Product Use (IPPU)	32,781.3	24,857.6	30,598.0
Agriculture	58,183.7	53,207.4	52,890.3
LULUCF	-27,846.5	-35,093.3	-43,181.3
Waste	14,362.7	19,002.1	20,698.4
Total (inc. LULUCF)	461,341.8	436,765.0	435,119.5
Total (exc. LULUCF)	489,188.3	471,858.3	478,300.8

³⁴ Source: [9th National GHG Inventory Report for the Republic of South Africa, 2000 – 2022, February 2025](#)

Sector Overviews

Energy

ENERGY SECTOR (GGCO ₂ E) ³⁴			
Sub-Sector	2000	2020	2022
Fuel Combustion Activities	349,971	342,684	345,316
Fugitive Emissions from Fuels	33,889	32,108	28,798
Carbon Dioxide Transport and Storage	-	-	-
Total	383,861	374,791	374,114

The Energy sector is South Africa's largest emitting sector. This sector is the largest source of CO₂ emissions and the second largest source of N₂O emissions, mainly as a result of fuel combustion activities within South Africa's energy industries (mainly electricity and heat production). The primary energy supply for South Africa is dominated by coal and crude oil – hence the high carbon intensity of South Africa's electricity production sector. Within the Fugitive Emissions from Fuels sub-sector, the primary source of emissions also arises from emissions from energy production, particularly from coal mining and handling.

Alongside South Africa's energy industries, fuel combustion emissions are also mainly derived from the transport (primarily road transportation) and manufacturing sectors.

Industrial Processes and Product Use (IPPU)

INDUSTRIAL PROCESSES AND PRODUCT USE SECTOR (GGCO ₂ E) ³⁴			
Sub-Sector	2000	2020	2022
Mineral Industry	4,371	4,774	6,055
Chemical Industry	2,557	2,247	1,753
Metal Industry	25,658	12,391	15,655
Non-Energy Products from Fuels and Solvents	196	84	1,125
Electronic Industry	-	-	-
Product Uses as Substitute ODS	-	5,284	5,945
Other Product Manufacture and Use	-	78	66
Total	32,781	24,858	30,598

The largest contributing sub-sector within IPPU is the metal industry, contributing just over half of IPPU emissions, in turn largely driven by iron, steel and ferroalloy production. South Africa is one of the world's largest producers of chromium and vanadium ores, and a leading supplier of these allows, as well as being one of the largest producers of iron and manganese ores as well as an important supplier of ferromanganese, ferrosilicon and silicon metal. COVID-19 had a negative effect on iron and steel production, during which time certain plants or areas were shut down for major maintenance, but the market recovered to a large extent afterwards.

Agriculture

AGRICULTURE SECTOR (GGCO ₂ E) ³⁴	
Sub-Sector	2022
Enteric Fermentation	36,351
Manure Management	4,285
Agricultural Soils	9,751
Field Burning of Agricultural Residues	59
Liming	1,861
Urea Application	585
Total	52,892

The largest contributing sub-sector within Agriculture is the enteric fermentation industry, contributing ~68% of sector emissions in 2022. Emissions in this sub-sector have declined ~9% compared to 2000 levels, primarily due to a decrease in livestock population numbers which in turn has been mainly caused by consecutive droughts in 2015 and 2016, with ensuing struggles to rebuild livestock populations back to pre-2014 levels. Within this sub-sector, the largest livestock type contributing to emissions is cattle.

LULUCF

LULUCF SECTOR (GGCO ₂ E) ³⁴			
Sub-Sector	2000	2020	2022
Forest Land	-41,970	-73,698	-82,341
Cropland	4,708	3,711	3,873
Grassland	-2,581	11,492	11,301
Wetlands	9,537	9,469	9,678
Settlements	-933	-1,071	-2,368
Other Land	7,813	19,022	19,022
Harvested Wood Products	-4,419	-1,319	-2,347
Total	-27,847	-35,093	-43,181

The LULUCF sector was a carbon sink in 2022, driven by the forest land sub-sector which overcompensated for emissions from the other sub-sectors. The dominant sinks within the forest land sub-sector were thickets and woodlands - removals have been increasing overall since 2000 largely due to increased conversion of grassland to woodland. In general, forest land sink data correlates to burnt area data – in other words, in high burn years, there are increased disturbance losses within the forest lands sub-sector and therefore a reduced carbon sink effect.

Fires are an important component of South Africa's natural ecosystems and cannot always be controlled – these include both wildfires (natural disturbances) and controlled fires, both of which remove biomass and litter, and lead to emissions and reduction of the carbon sink effect from this sector overall.

Waste

WASTE SECTOR (GGCO₂E)³⁴		
Sub-Sector	2000	2022
Solid Waste Disposal	4,505	8,596
Biological Treatment of Solid Waste	1,492	2,530
Incineration and Open Burning of Waste	153	325
Wastewater Treatment and Discharge	8,213	9,247
Total	14,363	20,698

The bulk of emissions in this sector originate from solid waste disposal (consisting of waste streams deposited into managed landfills) and wastewater treatment and discharge (most of which is treated through municipal wastewater treatment systems).

Annexure 2: Definitions of Target Populations in South Africa

The SBP of ICMA, stipulates that the expenditures, investments, or projects associated with the funds obtained from a social bond issuance must address or mitigate a social problem and/ or generate positive social impacts, particularly, although not exclusively, for a specific group of beneficiaries (target population). This annexure contains a description of these population groups, according to regulations and/or policies currently in force in South Africa. However, given the existing legislation on each of them and their socioeconomic context, the descriptions are not exhaustive and may be subject to revision as part of the ordinary course of legislative amendments.

POPULATION/ BENEFICIARY GROUP	DEFINITION	SOURCE
Care dependency	Caregivers earning not more than R223 200 (single) and R446 400 (married) a year that care for children who are mentally or physically disabled.	Department of Social Development
Child support	Parents and caregivers of children under 18 earning not more than R60 000 (single) and R120 000 (married) a year.	Department of Social Development
Disability	People with permanent or temporary disabilities (long-term or recurring physical, including sensory, or mental impairment which substantially limits their prospect of entry into or advancement in employment) earning less than R87 720 (single) and R175 440 (married) a year, whose assets do not exceed R1 247 400 (single) and R2 949 800 (married).	Department of Social Development
Households in Distress	Persons in such dire material need that they are unable to meet their or their families' most basic needs	Department of Social Development
Informal settlement	Residential areas where: <ul style="list-style-type: none"> Habitants do not have security of tenure, land or dwellings that they are inhabiting There are either no or a lack of basic services including water, electricity, sewage and waste management Non-compliance with local authority requirements for conventional (formal) townships 	Department of Human Settlement
Informal Settlement Residents	Residents living in unplanned, unregulated housing environments lacking secure tenure, targeted under the Upgrading of Informal Settlements Programme for the provision of basic services and formal housing.	National Housing Code, 2009
Learners in Underserved Schools	Students attending schools that lack adequate infrastructure, particularly in rural and peri-urban areas. Targeted for infrastructure improvements under programmes such as the Accelerated Schools Infrastructure Delivery Initiative.	Department of Basic Education
Low-Income Households	Households earning less than R3 500 per month, eligible for fully subsidised housing under programmes such as the Integrated Residential Development Programme (IRDP).	National Housing Code, 2009
Middle-Income Households	Households earning between R3 501 and R22 000 per month, eligible for subsidies through the First Home Finance (FHS) programme to assist with homeownership.	Department of Human Settlements
Older persons	People aged 60 and older earning less than R87 720 (single) and R175 440 (married) a year, whose assets do not exceed R1 247 400 (single) and R2 494 800 (married).	Department of Social Development
Rural areas	Areas outside of the city or urban boundary or periphery where populations are spatially dispersed.	Department of Human Settlement
Smallholder farmer	Farmers owning small-based plots of land on which they grow subsistence crops and one or two cash crops relying almost exclusively on family labour.	Department of Agriculture, Forestry and Fisheries

POPULATION/ BENEFICIARY GROUP	DEFINITION	SOURCE
Small, medium and micro enterprises (SMMEs)	SMMEs are characterized based on the criteria outlined in Schedule 1 of the National Small Enterprise Act, 1996 (Act No. 102 of 1996). The criteria include thresholds associated with annual turnover and number of full-time paid employees per sector.	National Small Enterprise Act
Students from Low-Income Households	Learners from households earning less than R350 000 per year, eligible for financial aid through the National Student Financial Aid Scheme (NSFAS) for tertiary education.	National Student Financial Aid Scheme
Underserved areas	Areas which have limited access to basic services such as housing, healthcare, education and food sources.	Statistics South Africa
Unemployed individuals	Individuals of the working age population (15 to 64 years) who are jobless, willing and able to work, and actively looking for employment.	Statistics South Africa
Vulnerable population	Vulnerability has many dimensions, and vulnerable groups can be identified in various ways based on income, demographics, labour market characteristics and social assistance. Vulnerable people are characterised as the elderly, women-and-child-headed families and people living with disabilities who will benefit the most from social assistance and subsidies. This is the population that experiences a higher risk of poverty and social exclusion than the general population.	Department of Human Settlements Statistics South Africa
Women and People with Disabilities	Women and individuals with disabilities who face barriers to economic participation. They are eligible for targeted empowerment initiatives within infrastructure projects, such as SMME support and employment schemes.	Department of Women, Youth, and Persons with Disabilities
Youth	Individuals falling within the age group 14 to 35 years old.	National Youth Commission

Annexure 3: Key Green Policy Documents

Climate Change Act

South Africa's Climate Change Act³⁵, signed into law in July 2024, is a landmark piece of legislation aimed to help the country achieve its climate change commitments under the Paris Agreement. It applies to every organ of state within South Africa as defined by national legislation.

The legislation requires government departments, municipalities, businesses and state-owned entities to develop strategies to adapt to climate change and meet national emission goals, prepare and submit greenhouse gas mitigation plans, monitor and report on emissions, and comply with carbon budgets (i.e. an assigned amount of greenhouse gas emissions allocated to a person for direct emissions arising from the operations of that person over a defined time period).

The legislation also empowers South Africa's Minister responsible for environmental affairs to develop regulations, set carbon budgets, establish emission targets, review and amend strategies, monitor compliance, consult and coordinate with other stakeholders, and facilitate data collection for the National Greenhouse Gas Inventory.

Individuals and entities failing to comply with this Act will face penalties including fines and/or imprisonment.

National Environmental Management Act

South Africa's National Environmental Management Act³⁶ (NEMA), enacted in 1998 and amended from time to time since then, is a cornerstone of environmental legislation in South Africa, providing the framework for environmental governance and management across the country. NEMA aims to promote sustainable development, protect the environment, and ensure that natural resources are used responsibly and equitably. Within the overarching framework of NEMA are specific amendments covering the following acts:

- National Water Act, 1998³⁷
- National Environmental Management: Protected Areas Act, 2003³⁸
- National Environmental Management: Biodiversity Act, 2004³⁹
- National Environmental Management: Air Quality Act, 2004⁴⁰
- National Environmental Management: Integrated Coastal Management Act, 2008⁴¹
- National Environmental Management: Waste Act, 2008⁴²

Amongst other things, NEMA requires all organs of state in South Africa to comply with environmental authorisations, adhere to environmental principles, implement environmental management plans, participate in cooperative governance, engage in public participation, prevent and remediate environmental damage, report and monitor compliance and facilitate enforcement.

³⁵ Source: [Climate Change Act, 2024](#)

³⁶ Source: [National Environmental Management Act, 1998](#) (with subsequent amendments)

³⁷ Source: [National Water Act, 1998](#) (with subsequent amendments)

³⁸ Source: [National Environmental Management: Protected Areas Act, 2003](#) (with subsequent amendments)

³⁹ Source: [National Environmental Management: Biodiversity Act, 2004](#) (with subsequent amendments)

⁴⁰ Source: [National Environmental Management: Air Quality Act, 2004](#) (with subsequent amendments)

⁴¹ Source: [National Environmental Management: Integrated Coastal Management Act, 2008](#) (with subsequent amendments)

⁴² Source: [National Environmental Management: Waste Act, 2008](#) (with subsequent amendments)

Non-compliance with NEMA may incur penalties including fines, imprisonment, revocation of permits, remedial actions and other similar measures.

Carbon Tax Act

South Africa's Carbon Tax Act⁴³, enacted in June 2019, applies to individuals and entities in South Africa that conduct activities resulting in greenhouse gas emissions above specific thresholds, across various sectors including energy, manufacturing and transportation. The legislation provides for a tax in the form of a levy on the CO₂-equivalent greenhouse gas emissions emitted, with the specific rate subject to annual increases linked to inflation.

The objective of the Carbon Tax Act is to promote economic incentives to reduce emissions and promote sustainable practices.

Just Energy Transition Investment Plan

South Africa's Just Energy Transition Investment Plan¹³ (JET IP), first published in 2022, sets out the scale of need and the investments required to support the decarbonisation commitments made by the Government of South Africa in line with its updated NDC. The JET IP is premised on South Africa's NDP with its focus on tackling the country's systemic challenges of poverty, inequality, and unemployment. It is located within an evolving climate response and energy policies, strengthening collaboration between the public and private sectors, and in the overall drive for sustainable development. Periodic updates to the JET IP will respond to shifts in global and national initiatives on the climate crisis and the just energy transition imperatives, and to South Africa's sustainable development challenges.

⁴³ Source: [Carbon Tax Act, 2019](#)

Annexure 4: Key Social Policy Documents

Sustainable Water and Wastewater Management

- *National Water Act* (No. 36 of 1998): governs water resource management and ensures the sustainable use of South Africa's water resources.
- *Water Services Act* (No. 108 of 1997): ensures universal access to water and sanitation services by regulating municipal water services.
- *Municipal Infrastructure Grant*: provides capital funding for water and sanitation infrastructure in municipalities, targeting underserved communities.
- *Strategic Framework for Water Services (2003)*: sets out national standards for water and sanitation service delivery.

Basic Infrastructure for Sanitation

- *Water Services Act* (No. 108 of 1997): includes sanitation services as part of the mandate for local municipalities.
- *Municipal Infrastructure Grant (MIG)*: funds the provision of sanitation infrastructure in rural and informal settlements.
- *National Sanitation Master Plan*: focuses on reducing the backlog of sanitation services, especially in rural areas, and promoting ecological sanitation solutions.

Affordable and Sustainable Energy

- *Integrated National Electrification Programme (INEP)*: provides for electrification in underserved communities, particularly through renewable energy sources.
- *Renewable Energy Independent Power Producer Procurement Programme (REIPPPP)*: encourages investment in renewable energy and private sector participation in South Africa's energy mix.
- *Electricity Regulation Act* (No. 4 of 2006): regulates electricity generation, transmission, and distribution, supporting renewable energy projects.
- *National Energy Act* (No. 34 of 2008): promotes energy efficiency and diversification towards renewable sources.

Affordable Public Transport

- *National Land Transport Act (No. 5 of 2009)*: provides the legislative framework for an integrated public transport system.
- *Integrated Public Transport Network (IPTN) Grants*: supports the development of bus rapid transit (BRT) systems in major cities.
- *National Rail Policy (2022)*: aims to modernise and improve the accessibility and safety of South Africa's rail services.
- *Public Transport Strategy (2007)*: promotes the shift to more sustainable, accessible, and affordable public transport services, including electric vehicles.

Healthcare Infrastructure and Services

- *National Health Act* (No. 61 of 2003): provides a legal framework for a structured, uniform healthcare system and the rights of patients to equitable healthcare access.
- *National Health Insurance (NHI) Bill*: seeks to establish universal healthcare coverage, ensuring access to quality healthcare services regardless of income.

Education Infrastructure and Services

- *South African Schools Act* (No. 84 of 1996), which promotes access to education, supports quality and democratic governance in the schooling system, and makes schooling compulsory for children aged 7 to 15 to ensure that all learners have access to quality education without discrimination
- *South African Schools Act* (No. 84 of 1996): mandates equitable access to basic education infrastructure, particularly in rural and disadvantaged areas.
- *Accelerated Schools Infrastructure Delivery Initiative*: seeks to eradicate infrastructure backlogs in schools, especially addressing mud schools and sanitation.
- *School Infrastructure Backlog Grant*: provides funding to build new classrooms, sanitation facilities, and improve access to electricity and water in rural schools.
- *National Education Policy Act (1996)*, which inscribes into law the policies and legislative and monitoring responsibilities of the Minister of Basic Education, and formal relations between national and provincial authorities
- *Employment of Educators Act* (1998), which regulates the professional, moral and ethical responsibilities of educators, and the competency requirements for teachers.

Affordable Housing

- *Housing Act, 1997* (No 107 of 1997) mandates the Department of Human Settlements (DHS) to establish and facilitate a sustainable national housing development process in collaboration with provinces and municipalities.
- *Integrated Residential Development Programme (IRDP)*: supports mixed-income, mixed-use housing developments to foster inclusive urban growth.
- *Upgrading of Informal Settlements Programme (UISP)*: targets the provision of essential services like water and sanitation in informal settlements.

Affordable Energy

- *National Development Plan (NDP) Vision 2030*: aims to reduce poverty and inequality while driving inclusive growth, with sustainability at its core.
- *Integrated Resource Plan (IRP) 2019*: outlines South Africa's future energy mix, emphasizing renewable energy and reducing dependency on coal.
- *Renewable Energy Independent Power Producer Procurement Programme (REIPPPP)*: Framework to attract private investments into renewable energy projects.
- *Energy Act (2008)*: provides for the establishment of institutional arrangements to secure energy supply and drive renewable energy developments.

Social Protection

- *White Paper for Social Welfare (1997)*: sets out the principles, guidelines, policies and programmes for developmental social welfare in South Africa. A draft white paper for social development is under review.
- *White Paper on Population Policy for South Africa (1998)*: aimed at promoting the sustainable development of all South Africans by integrating population issues with development planning in all spheres of government and all sectors of society.
- *Social Assistance Act (2004), as amended*: provides a legislative framework for the provision of social assistance. The act and its regulations set out the different types of social grants payable, including those for social relief of distress, and their qualifying criteria.
- *South African Social Security Agency Act (2004)*: establishes the South African Social Security Agency as an entity responsible for the administration and payment of social grants.

- *The Children's Act (2005), as amended*: gives effect to certain rights of children, as contained in the Constitution, and sets out principles and processes relating to their care and protection.
- *The Older Persons Act (2006)*: is aimed at maintaining and promoting the rights, status, wellbeing, safety and security of older people. It provides for older people to enjoy quality services while staying with their families and in their communities for as long as possible, and to live in residential care facilities.
- *The Prevention of and Treatment for Substance Abuse Act (2008) and associated regulations*: provide a legal framework for the establishment, registration and monitoring of in-patient treatment centres and halfway houses.

Women, Youth and People with Disabilities

- *Commission for Gender Equality Act (1996), as amended*: in addition to section 187 of the Constitution, prescribes the legislative mandate for the Commission for Gender Equality.
- *National Youth Development Agency Act (2008)*: the founding legislation of the National Youth Development Agency.
- *White Paper on the Rights of Persons with Disabilities (2015)*: a national policy concerning the rights of people with disabilities in South Africa.

Employment

- *The Basic Conditions of Employment Act 75 of 1997*: intends to give effect to the right to fair labour practices referred to in section 23(1) of the Constitution by establishing and making provision for the regulation of basic conditions of employment.
- *The Compensation for Occupational Injuries and Diseases Act 130 of 1993*: intends to provide for compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for death resulting from such injuries or diseases.
- *The Employment Equity Act 55 of 1998* intends to provide for employment equity.
- *The Labour Relations Act 66 of 1995* intends to:
 - Promote and facilitate collective bargaining at the workplace and at sectoral level
 - Regulate the right to strike and the recourse to lockout in conformity with the Constitution
 - Promote employee participation in decision-making through the establishment of workplace forums
 - Provide simple procedures for the resolution of labour disputes through statutory conciliation, mediation and arbitration, and through independent alternative dispute resolution services accredited for that purpose
 - Provide for a simplified procedure for the registration of trade unions and employers' organisations, and to provide for their regulation to ensure democratic practices and proper financial control
- *The Occupational Health and Safety Act 85 of 1993* intends to:
 - Provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery
 - The protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work
- *The Employment Services Act 4 of 2014* aims to:
 - Provide for public employment services
 - Provide for the establishment of schemes to promote the employment of young

- work seekers and other vulnerable persons
- Provide for schemes to assist employees in distressed companies to retain employment;
- Facilitate the employment of foreign nationals in a manner that is consistent with the objects of this Act and the Immigration Act, 2002
- *The Skills Development Act 97 of 1998* intends to:
 - Provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African work force
 - Provide for learnerships that lead to recognised occupational qualifications
 - Provide for the financing of skills development by means of a levy-grant scheme and a National Skills Fund
 - Provide for and regulate employment services
- *The Unemployment Insurance Act 63 of 2001* intends to provide for the payment from the Unemployment Insurance Fund of unemployment benefits to certain employees, and for the payment of illness, maternity, adoption and dependant's benefits related to the unemployment of such employees.

Food Security

- *The National Policy on Food and Nutrition Security* provides a broad framework for the fulfilment of Section 26 and 27 of the South African Constitutional Law of 1996, and serves as a guide to national, provincial and local government in pursuit of food nutrition security at every level.

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