

## South Africa

### Sustainable and Low-Carbon Energy Transition Development Policy Loan

#### Chair Summary\*

October 24, 2023

Executive Directors approved a loan for the Republic of South Africa for a Sustainable and Low-Carbon Energy Transition Development Policy Loan (DPL) in the amount of US\$1 billion on the terms and conditions set out in the President's Memorandum. Ms. Chang wished to be recorded as opposing.

Directors appreciated the alignment of this DPL with key principles of the World Bank's new Evolution Roadmap and the FY22-26 Country Partnership Framework for South Africa, which supports the Government's objective to improve access to clean electricity, while reducing carbon emissions. Directors also welcomed the operation's support for the implementation of the recommendations of the Country Climate and Development Report.

Directors stressed the importance of supporting the Government in its effort to promote long-term energy security and sustainability, strengthen the collaboration under the Just Energy Transition Partnerships (JETPs) and incentivize private sector participation in the energy sector. They also took note of the focus on poor households and small businesses through increased financial support for poor electricity consumers.

Noting the need for the One WBG approach, Directors stressed the importance of sustaining and deepening reforms, in collaboration with development partners, to achieve the structural transformation of the energy sector while moving toward a low-carbon transition.

Directors acknowledged the overall high risk of the DPL, particularly the risks related to weak governance and capacity, socio-economic impacts, and continuity of reforms given the national elections in 2024. They underscored the need to monitor developments, support the overall risk mitigation efforts and work closely with key partners and civil society to support continued energy sector reforms.

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\*This Summary is not an approved record.