

Media Statement

Agence Française de Développement (AFD) and Eskom sign a Memorandum of Understanding to further affirm their commitment to the promotion and development of a competitive electricity sector

Monday, 3 May 2021: Eskom and Agence Française de Développement (AFD) today signed a Memorandum of Understanding (MOU) to establish a framework to strengthen the current cooperation and collaboration between the two parties, and to promote the development of a competitive electricity sector, supported by modern technology and low carbon emission.

Eskom, South Africa's public electricity company, produces around 95% of the country's electricity, and is in charge of distribution to large customers, in rural areas and in urban areas.

In the last fourteen years, AFD has committed ZAR 5.9 billion (EUR 340 million) in loans in support of Eskom projects.

In response to global shifts towards liberalised electricity markets and more carbon efficient energy sources, Eskom has embarked on a restructuring programme to ensure its sustainability and resilience while pursuing a trajectory towards a sustainable, low-carbon future through the Just Energy Transition (JET) strategy.

The MOU has the following objectives:

- a) Support for the implementation of the Namaqualand Strengthening Phase 2 project
- b) Support for the implementation of interventions to restructure Eskom's business model, through a technical cooperation grant
- c) Identify potential collaborations for the energy transition to renewable energy, to mitigate social and environmental impacts, through innovative propositions such as the Just Energy Transition strategy
- d) Support the development of a Just Energy Transition strategy to advance Eskom's aspiration for a lower carbon, socially inclusive future
- e) Facilitate dialogue between Eskom and strategic stakeholders around the Komati Power Station to consolidate visions on a just energy transition.

"We have had long lasting ties with our partner Eskom. We are confident that our close collaboration with Eskom will serve to enhance Eskom's capacity to find sustainable solutions to the challenges it faces", His Excellency Aurélien Lechevallier, Ambassador of France to South Africa, said.

"The Komati Power Station is amongst those in Eskom's fleet of older power stations that we hope to use to light up a much brighter and more sustainable future under the Just Energy Transition strategy. In this brighter and more sustainable future of electricity generation, Eskom is encouraged by the continued support and partnership of the French people as represented by His Excellency, Ambassador Aurélien Lechevallier, and AFD. French institutions have always stood beside Eskom at key events in the development of the electricity industry in South Africa," said André de Ruyter, the Eskom Group Chief Executive.

"Eskom is a very important long-term partner to AFD, and hence we affirm our commitment to support the public utility's transformation efforts", Bruno Deprince, AFD's Regional Director, said.



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About Agence Française de Développement (AFD)

Agence Française de Développement (AFD) implements France's policy on international development and solidarity. Through its financing of NGOs and the public sector, as well as its research and publications, AFD supports and accelerates transitions towards a fairer, more resilient world. It also provides training in sustainable development (at AFD Campus) and other awareness-raising activities in France.

With our partners, we are building shared solutions with and for the people of the Global South. Our teams are at work on more than 4,000 projects in the field, in the French Overseas Departments and Territories, in 115 countries and in regions in crisis. We strive to protect global public goods – promoting a stable climate, biodiversity and peace, as well as gender equality, education and healthcare. In this way, we contribute to the commitment of France and the French people to achieve the Sustainable Development Goals (SDGs). Towards a world in common.

Click [here](#) to find out more about AFD in South Africa.

About Eskom

Eskom is South Africa's electricity public utility. The utility is the largest producer of electricity in Africa, is among the top seven utilities in the world in terms of generation capacity and among the top nine in terms of sales. The company is divided into Generation, Transmission and Distribution divisions and together Eskom generates approximately 95% of electricity used in South Africa. Click [here](#) to find out more about Eskom.

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