



European Union



Media Statement

Agence Française de Développement (AFD) signs a EUR 6,5 million grant agreement to support the development of Eskom's Tubatse Pumped Storage System Project

Johannesburg, 07 November 2024 – Eskom and Agence Française de Développement (AFD) today signed a EUR 6,5 million (ZAR 125 million) grant agreement to support the public electricity utility in the development of its Tubatse Pumped Storage System (PSS) project, located in the Elias Motsoaledi Local Municipality in Limpopo. The Tubatse Pumped Hydro Storage System was approved as a top priority infrastructure project by the Infrastructure South Africa Programme in a previous bid window.

This European Union grant funding, delegated to AFD for implementation, will contribute to the development of the Tubatse PSS project – a mega installation with a power generation capacity of 1.5 GW (4 x 375 MW units) and a storage capacity of 21 GWh. Large-scale storage and grid services such as these are necessary to accommodate the rapid development of renewable energy in South Africa, as planned through the Just Energy Transition (JET) Investment Plan.

“This support will provide Eskom and in turn South Africa with a further pathway from a high-carbon to a low-carbon economy. Without large-scale facilities such as Tubatse, the management of intermittent power from renewable energy—wind and solar PV—would be very difficult without the kind of intervention that pump storage systems offer”, said Dan Marokane, Group Chief Executive at Eskom.

“Eskom has developed a pipeline of more than 20 GW of clean energy projects to diversify its energy mix and reduce its emissions related to fossil fuel generation. Over the next 3 years we have an ambition to execute at least 2GW of these projects. The clean energy projects will consist of a diversified capacity mix of renewable energy (solar PV and wind), hydro, gas, nuclear and pump storage,” continued Marokane.

Eskom plans to develop the Tubatse PSS project as a Public-Private Partnership (PPP) and will intend to procure the services of a Transaction Advisor to conduct a thorough Private Sector Participation (PSP) feasibility study and business case in the first quarter of 2025. This Transaction Advisor, to be financed by said grant funding, will support Eskom in procuring a private developer for the project's implementation, which is scheduled for the 2025–2033 timeframe.

“The partnership between Team Europe and South Africa continues to deepen. We are rolling out our Global Gateway investment programme in crucial areas such as the green energy transition. The Global Gateway grant funding provided here today will further unlock the immense potential for renewable energy and support South Africa to realise its ambitions for a greener tomorrow”, said Sandra Kramer, Ambassador of the European Union to South Africa.



European Union



“AFD’s funding to Eskom reaffirms our commitment to support Eskom’s efforts to diversify its energy mix and maintain energy security, which will ultimately strengthen its capacity to respond to the growing energy needs and economic growth of South Africa”, said Audrey Rojkoff, AFD’s Regional Director for Southern Africa and Country Director for South Africa.

For more information, contact:

Eskom Media Desk
Email: mediadesk@eskom.co.za

About Agence Française de Développement (AFD)

AFD is an inclusive public financial institution and the main actor in France’s development policy. It makes commitments to projects that genuinely improve the everyday lives of people, in developing and emerging countries and in the French overseas territories.

AFD works in many sectors – energy, health, biodiversity, water, digital technologies, training – and supports the transition to a safer, more equitable and more sustainable world: a world in common. Its action is fully in line with the Sustainable Development Goals (SDGs).

Through its network of 85 agencies, AFD operates in 109 countries and is currently supporting over 3,500 development projects. In 2017, it earmarked EUR 10.4 billion to finance these projects. Click [here](#) to find out more about AFD’s work in South Africa.

About the European Union

The European Union is a supranational economic and political union of 27 European countries. It is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. It acts globally to promote sustainable development of societies, environment and economies, so that everyone can benefit.

For information, the overall EU strategic partnership with South Africa is captured [here](#) and [here](#).

Please also see here for the latest Global Gateway infographics across Africa and [here](#) for the overall Global Gateway website.

About Eskom

Eskom is South Africa’s public electricity utility and is the largest producer of electricity in Africa. Click [here](#) to find out more about Eskom.