Press release

November 25th, 2025

Transnet and the French Development Agency (AFD), with support of the European Union (EU), announce a key partnership to decarbonise South Africa's state-owned ports and railway operator

On the sidelines of the G20 Summit hosted by South Africa, the country's state-owned logistics company, Transnet, in partnership with France through the French Development Agency (AFD), and with the support of the European Union (EU), announced a major initiative to accelerate its transition toward net-zero emissions.

Transnet, which manages South Africa's rail, port, and pipeline infrastructure, has set ambitious decarbonisation and corporate sustainability goals and AFD is proposing a €300 million (R6 billion) loan in support of those objectives.

"The funding package from AFD will assist us in revitalising our infrastructure while supporting the clean energy initiatives under the capital investment programme. In addition, this initiative will contribute significantly to supporting Transnet's decarbonisation journey while actively exploring the company's strategic role and potential opportunities within the green hydrogen value chain," said Transnet Group's Chief Executive, Michelle Phillips.

As a sustainability-linked loan, disbursements will be tied to progress on strategic targets. These include diversifying into transition minerals and increasing the use and purchase of 300 GWh of renewable electricity per year -- equivalent to 20 percent of Transnet's electricity needs.

The French contribution will also aim to promote a shift from road transport to rail, including the rehabilitation of 550 km of railway. It will participate in the modernization of port infrastructure, strengthening service quality, reliability, competitiveness, and overall attractiveness across Transnet's network.

“Transnet is a long-standing partner of AFD, and is a key actor in South Africa’s low carbon transition. Our support will enable Transnet to pursue opportunities that will emerge from the green hydrogen economy, contribute to the modernisation of its operations and reduce its environmental footprint,” said Rémy Rioux, AFD’s CEO.

This prospective AFD loan to Transnet forms part of France’s contribution to the Just Energy Transition Partnership (JETP), which AFD has been implementing since 2021, and fulfils France’s €1 billion commitment announced at COP26 in support of South Africa’s just energy transition.

Completing the loan, a €7 million (R140 million) grant from the EU, AFD will assist Transnet in advancing its green hydrogen strategy, a cornerstone of its decarbonisation pathway, across key sectors including ports, rail, pipelines, and facilities.

The funding will support key studies, impact assessments, pilot projects, and technical assistance that will refine Transnet’s green hydrogen roadmap and accelerate the scale-up of low-carbon hydrogen initiatives across South Africa.

“Through our investment strategy Global Gateway, the EU is supporting concrete investments in South Africa’s green hydrogen economy. Investments that cut emissions and create high-quality jobs. With its central role in rail, ports and pipelines, Transnet is essential to building a credible and scalable hydrogen ecosystem. This partnership will help deliver the expertise and infrastructure needed for South Africa’s 2050 net-zero goals,” said Jozef Síkela, EU Commissioner for International Partnerships.

About Transnet:

Transnet is South Africa’s State-owned freight logistics company, responsible for rail, port and pipeline infrastructure. Transnet plays a strategic role in enabling trade, supporting industrial growth, and reducing the cost of doing business. Transnet conducts its activities in order to optimise developmental outcomes, such as job creation, skills development, economic transformation, regional integration and industrial capability building.

About Agence Française de Développement (AFD) :

AFD funds, supports and accelerates the transitions to a fairer and more sustainable world. Focusing on climate, biodiversity, peace, education, urban development, health and governance, our teams carry out more than 4,000 projects in France’s overseas departments

and territories and other 115 countries. In this way, we contribute to the commitment of France and French people to support the sustainable development goals.

About Global Gateway:

Global Gateway is a new European strategy to boost smart, clean and secure links in digital, energy and transport sectors and to strengthen health, education and research systems across the world. The European Commission and the EU High Representative launched it in 2021.

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