Commentary

THE EU-SOUTH AFRICA CTIP

A first step towards EU clean industrial partnerships?

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Introduction

On the sidelines of the November 2025 Group of 20 (G20) summit in Johannesburg, the EU and South Africa announced a Memorandum of Understanding (MoU) establishing the first-ever Clean Trade and Investment Partnership (CTIP). This agreement stems from the EU's Clean Industrial Deal and is intended to be one of the first in the next generation of international partnerships that use trade and investment to strengthen supply chain security while making progress on decarbonisation and clean-tech cooperation.

The CTIP complements the EU-South Africa Strategic Partnership, the EU-SADC Economic Partnership Agreement and South Africa's Just Energy Transition Partnership, and is meant to accelerate cooperation in five priority clean supply chains: renewable energy; low-carbon and net-zero technologies; electricity transmission and energy grids; clean fuels; and raw materials and climate technologies.

This is a first step, but also clearly an incremental one. The CTIP does not fundamentally reshape the EU's financing architecture, nor does it create a dedicated vehicle for large-scale industrial investment. It offers a lighter framework that can help align priorities and unlock more clearly articulated opportunities. Looking ahead, the task is now to translate this strategic framework into concrete actions that drive investment, create quality jobs and strengthen clean supply chains across both regions.

Fast and focused

The CTIP MoU was finalised in less than ten months, reflecting an accelerated negotiation process. The speed aimed to link the EU's competitiveness and decarbonisation priorities with South Africa's localisation and green industrialisation agenda. This pace, together with the choice to focus on a limited number of mutually strategic supply chains, marks a shift away from previous, more comprehensive partnership formats.

The targeted scope could provide a more practical platform for directing investment toward priority sectors. The negotiations were paired with a number of significant announcements, including a EUR 4.7 billion Global Gateway package announced in March, expanded to nearly EUR 12 billion at the 2025 Global Gateway Forum in October. As is common with EU financing announcements, these figures combine both repackaging existing initiatives and new commitments. A big portion of these announced funds are linked to clean industries, hydrogen, clean energy and critical raw materials, all of which would benefit from innovative financing (guarantees, blended finance facilities, sustainability- or results-linked instruments etc.), regulatory alignment and technical assistance.

The CTIP's governance structure also introduces new mechanisms for EU-South African dialogue, including ministerial and senior-official tracks, as well as dedicated business-to-government (B2G) dialogue. This reflects an effort to bring the (European and South African) private sector into the process at an earlier stage and may help shape a more grounded agenda on regulatory cooperation, identify financing opportunities and support tangible projects in the real economy.

The agreement also mentions the need to address specific regulatory challenges, such as local content requirements, market access issues and export rules, and proposed to give CTIP investments Strategic Integrated Project status which should accelerate permitting and other procedural aspects. Along with references to transparent public procurement access and clean-product standards, this suggests the need to create a predictable, investment-friendly environment.

From political momentum to impact

Taken together, these elements outline the skeleton of a new approach, one shaped by clear interests and a degree of urgency. At the same time, the CTIP itself remains only a first step. The rapid negotiation signals strong political intent. Yet, as an MoU, it creates no binding obligations. Flexibility can be an advantage, but credibility now depends on follow-through. The real test lies in translating this into concrete outcomes: mobilising new investments, removing regulatory bottlenecks and advancing priority projects on the ground.

Attention should now shift to:

- **Developing** sector pathways that map EU and South African capabilities into concrete trade and investment opportunities.

- **Launching** a structured dialogue on long-term demand and supply for key industrial goods, both in Europe and South Africa.

- **Prioritising** early-win projects that demonstrate the feasibility and added value of the CTIP.

- **Advancing** cooperation on clean procurement and shared standards for clean products.

As these components come together, they can start shaping a new architecture for clean industrial partnerships and contribute to a more globally interconnected Clean Industrial Deal.