



**national planning  
commission**

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The Presidency  
REPUBLIC OF SOUTH AFRICA



# SOCIAL PARTNER DIALOGUE FOR A JUST TRANSITION

May 2018 to June 2019

# 2050 Vision and Pathways for a Just Transition to a low carbon, climate resilient economy and society

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Revised proposal following the outcomes of the Concluding Conference held on 29 May 2019

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# 1. Introduction

## 1.1. The National Planning Commission Dialogue Process - Background

In 2012 South Africa, through Parliament, adopted its first National Development Plan (NDP), to guide and frame all policy and planning for the country, up to 2030. The National Planning Commission (NPC) was tasked with producing the NDP. Chapter 5 of the NDP – Ensuring Environmental Sustainability and an Equitable Transition to a Low Carbon, Climate Resilient Economy and Society – stated that by 2030 South Africa will have transitioned to an environmentally sustainable, climate-resilient, low-carbon economy and just society. This Chapter however was not a plan for a Just Transition, but rather a guiding framework with some concrete proposals on what needs to be implemented immediately to achieve the end state captured in Chapter 5.

In the second phase of its work, the NPC has embarked on a process to deepen the initial work in Chapter 5 and commenced with the Social Partner Dialogues on Pathways for a Just Transition. The aim is to build consensus on a common vision for a Just Transition to a low carbon, climate resilient economy and society by 2050 and develop proposals for pathways to achieve this vision. The process has involved a series of dialogues, with civil society, business, government, labour, communities and experts. The process began with a high-level social partner dialogue and progressed to workshops in each province, as well as engagements with various constituencies, such as the Youth, Labour and business, through bi-lateral meetings and roundtables convened with partners. Each dialogue built on the previous ones and this draft document aims to capture the stakeholders' voices, and the cumulated and consolidated outcomes of this process which resulted in the Concluding Conference on the 29<sup>th</sup> May.

The NPC adopted an economy-wide scope for planning for a Just Transition in South Africa, with 3 key sectors, namely, Energy, Water and Land-use being prioritised, since these continue to underpin the contribution, impact and vulnerability of South Africa to climate change as well as poverty and inequality.

In addition, the NPC's starting point in doing this work is to put our strategic objectives of addressing poverty, inequality and unemployment at the heart of the work on a Just Transition. It recognises that the transition is underway already, especially in the energy space. The challenge that the NPC therefore wants to address through this process is how to ensure that these transitions are in fact Just.

The intention of the concluding conference, was to build consensus as well as identify key areas of disagreement between all constituents and stakeholders. The outcome of this conference is this revised version of the Vision and Pathways, which will be presented at a Summit later in the year, where it is hoped, it could form the basis for negotiations for a Social Compact on the Just Transition for the country.

## 1.2 Our approach to the concept of a Just Transition?

The Just Transition is a framework that was developed by the trade union movement to encompass a range of social interventions needed to secure workers' jobs and livelihoods when economies are shifting to sustainable production, including avoiding climate change and protecting biodiversity, among other challenges. The concept has been broadened and formalized in the International Labour Organisation (ILO) and captured in the [“Guidelines for a Just Transition”](#).

For the purposes of the NPC process we adopted the broadened approach for the Just Transition to a low carbon, climate resilient economy and society, that also includes defending and protecting the rights of the most vulnerable, including women, children, people with disabilities, those that are poor and the working class more broadly.

Global climate change scientists agree that those who are most vulnerable to climate change are the poor, particularly in developing countries and regions.

In South Africa, we are challenged by inequality, poverty and unemployment. These are known as South Africa's triple challenges, and they contribute to making especially the poor, highly vulnerable to climate change. Low adaptive capacities of those most vulnerable to climate change are characterised by inadequate access to three key resources: productive land-use, water and energy. We could greatly strengthen the adaptive capacity and resilience of South Africa's poor by reducing or eliminating resource poverty and increasing access, particularly in land-use, water and energy. If appropriately and jointly planned for, increasing these adaptive capacities can in turn unlock socio-economic development, create jobs and enterprises and stimulate local sustainable production and consumption.

According to stakeholders, this is what is needed to underpin and ensure a Just Transition.

## 2. What the stakeholders said

During the NPC Just Transition dialogue process, stakeholders unpacked their perspectives on the challenges they currently face that would impact on a Just Transition to a low carbon future. Stakeholders also presented their vision for 2050, that is, where we would need to transition towards, as well as views about what is needed to get there.

This section reflects what the stakeholders said about challenges and opportunities, and synthesises their vision for 2050. The section concludes with an overview of key areas of commonality and differences in stakeholder perspectives, and highlights the key disagreements. Trying to build a consensus on areas of differences and addressing some of the key disagreements were the main focus at the Concluding Conference held on the 29<sup>th</sup> May.

### 2.1. General comments on Governance and the Economy

Overarching themes such as governance, ownership, economic models and overall institutional capacity were raised in all the dialogue sessions.

**Governance:** Stakeholders consistently raised the need for a strong government role in ensuring a Just Transition in the country. Issues of capacity, knowledge and skills in government were identified as critical for the successful planning, management and implementation of a Just Transition. Deep concerns around corruption, poor governance and lack of accountability and transparency were raised. They noted that the country currently lacks strong and aligned policy direction, creating an unpredictable investment and development environment. Much criticism was leveraged against government for its failure to deliver inclusive basic services to the poor. Some spoke of broken promises and a lack of follow-through, with many community participants feeling that the State aligns itself more with the interests of industry than with those of its citizens. Municipal officials indicated that they felt hamstrung by a lack of political will to support their work on climate change and building resilience.

Stakeholders identified the urgent need for joint planning and decision making across the spectrum and in particular, in the areas of energy, land-use and water resource planning and management. Numerous examples were provided of fundamental decisions being taken in silos and without community voices, resulting in negative impacts on communities and other affected stakeholders. At the same time, many participants identified opportunities for bottom-up planning through community participation and partnerships, to open a space for meaningful change. Other approaches to decentralised governance emerged through proposals for people-centered governance and ownership of South Africa's critical resources – land-use, water and energy. For example there was much support for moving towards a more inclusive and decentralized community-owned/socially-owned energy system. A preference for devolving power for the equitable resource management of land-use, water and energy to local government was supported by most stakeholders, with the understanding that there should be investment in building the capacity of local governments to do so.

**Economy:** There was overall agreement that the structure of our economy in South Africa would need to shift from a Minerals and Energy complex path dependency. Transitioning from an extractives based and resource intensive economy to one that is sustainable and respects the ecological boundaries and promotes human development was favoured by many stakeholders.

Some stakeholders strongly expressed the view that we could not achieve a truly *just* transition in a free market or capitalist economy. The issue on focusing only on economic growth without recognising the limits to growth in a resource constrained world was also raised. There were suggestions that we move away from using GDP as a measure of economic well-being and that alternative measures being presented by certain experts should be explored.

Ideas for alternative economic models included: circular economy, a green economy that is mainstreamed and not treated as an add-on sector, and a well-being economy amongst others.

The issue of unemployment, and in particular amongst the youth, was raised as a critical issue, and raised in every dialogue meeting, along with barriers to finding work and the overarching lack of employment opportunities. There is a need to change the current curricula to prepare students, youth and workers for the transition and the future, including the need to reskill or upskill the youth and people who will potentially lose jobs resulting from sector transitions, like coal-fired power stations and coal mine closures.

Stakeholders also highlighted the issue of the choices we make in terms of infrastructure investment and that these should be informed by the transition to a low carbon and climate resilient economy. The problem of having potential “stranded” assets and sunken costs needs to be avoided. Some stakeholders argued that South Africa is no longer perceived as being economically competitive globally, largely attributable to power being too expensive and too uncertain to attract (and sustain) investors. They believed that if prices continue to soar, unemployment would deepen.

The issue of Ownership in the economy was also raised in all the dialogues. Diverse views were expressed, including issues of state vs private ownership, the role of Broad Based Black Economic Empowerment (BBBEE) in the transition to a new economy, the opportunities for socially-owned resources amongst others.

## 2.2. The Nexus of Land-use, Water and Energy – at the heart of a Just Transition

At the NPC’s first High-Level Social Partner Dialogue on the Just Transition, delegates supported an economy-wide approach to planning for a Just Transition but also proposed a more strategic and prioritised approach. It was agreed that a focus on the 3 key areas of Land-use, Energy and Water would go a long way in laying a strong basis for a Just Transition to a low carbon, climate resilient economy and society. The NPC accepted this recommendation and has made these 3 areas the focus for all the Dialogues held in the process.

These 3 key areas are interdependent and interconnected and while we have focused on them in terms of detailed engagement our approach has been one of recognising the nexus between the three areas as well as the relationship to poverty and inequality in South Africa.

The Nexus approach highlights the interdependencies between achieving water, energy and food security for human well-being, e. g. basics services and economic development, while ensuring ecologically sustainable use of globally essential resources. It is based on an understanding of the synergies and regulated negotiation of fair trade-offs between competing uses of water, land and energy-related resources. The Nexus approach is a fundamental shift, from a pure sectoral approach to solutions that embrace a cross-sectoral, coherent and integrated perspective. It challenges existing structures, policies and procedures at global, regional and (sub) national levels. The three "supply securities" water, energy and food depend on ecosystems and on each other. The three resources land, water and energy (atmosphere) are part of this ecosystem and must be used and protected in a balanced manner.

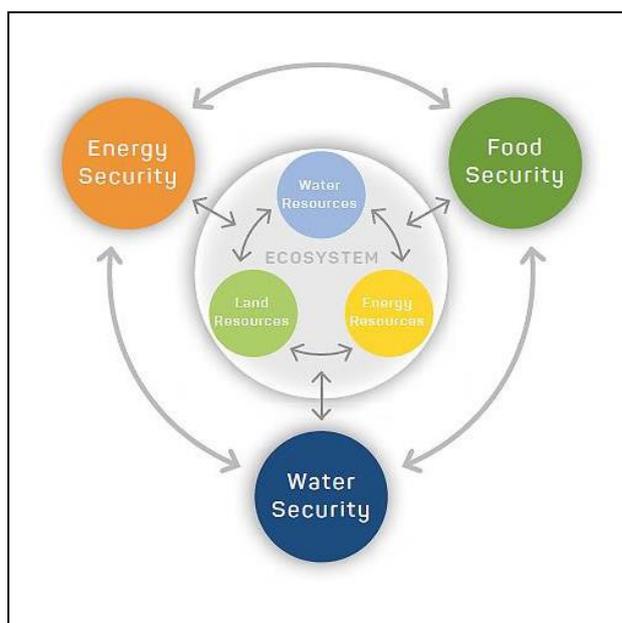


Figure 1. The Water, Energy and Food Resource Platform ([www.water-energy-food.org](http://www.water-energy-food.org))

## 2.3. General comments on Water, Land-Use and Energy

Although many of the challenges identified were specific to a particular province or constituency, the discussions highlighted a number of common challenges. These relate to the current inequitable access to and unaffordability of resources such as land, water and energy. Stakeholders emphasised how vulnerability to climate change increases with inadequate access to safe, clean water, access to land for sustainable agriculture and food sovereignty, access to clean, sustainable and affordable energy, access to public transport and decent housing.

In further developing the challenges and opportunities, all the engagements focused on the three interlinked sectors of water, land-use and energy. The next section outlines the principle issues that emerged under each theme.

### 2.3.1. Water

#### **Challenges**

Many issues raised related to water quality and water access. Water access is currently inequitable – and water access needs to be ensured for all. A large proportion of people do not have access to clean water in their homes, and are dependent on either a communal water point, or other sources such as rivers, which are often polluted. It was noted that there is a lack of progress in implementing the Water Catchment Management policy and levying of water use charges. At the same time, water-intensive industries, often related to fossil fuel extraction and processing and agriculture, use significantly more than their fair share of water. There is also a need to recognize that water is not an unlimited resource as large parts of the country have already experienced recent and prolonged droughts. Waste water is also seldom sufficiently treated before being discharged into the environment, while water recycling is rare.

#### **Opportunities**

Stakeholders raised the need to adopt an holistic approach to water resource management, through the entire value chain, to deal with security of availability, quality and access. The role that communities could play in water resource management was discussed including suggestions by some for an “Adopt a River” program. Regular water audits and testing is necessary to ensure that water is not contaminated, and thereafter to improve water and waste infrastructure for a water secure future. Policies and plans are needed for intensive and proactive demand management and water supply sources such as decentralised and sustainable rainwater harvesting.

All citizens need to take responsibility for water conservation. There is also a need for improved water infrastructure and water management generally. Water security will also be promoted through large industries producing plans for how to save water and being accountable for these, and for municipalities to improve housing regulations that include the efficient use of water and water harvesting.

### 2.3.2. Land-use

#### **Challenges**

Unequal distribution of land and inequitable land uses perpetuate poverty and inequality. Large-scale agriculture is land intensive in addition to being water intensive, and unsustainable agricultural practices are pervasive. Mining is often an unsustainable land-use, and this is at a large scale, often leaving unrehabilitated and contaminated land at the end of the mine’s lifecycle which is unusable. Unsustainable practices in both agriculture and mining result in carbon emissions, poor local air quality, and compromised ecosystems, which ultimately impoverish communities. Economic activities, agriculture and mining, along with a growing population and increased urbanisation, also compete with the conservation

of biodiversity. Unplanned urbanisation and urban sprawl has resulted in spatial inequalities, unaffordable transport costs, especially for those living far from economic opportunities. Furthermore, little attention is paid to food security and opportunities for local food production. Food production and consumption is unsustainable, exacerbated by the distance that food has to travel. Human consumption and the use of non-biodegradable products has also resulted in the need for more landfill sites.

Local air quality, closely related to unsustainable land uses such as mining, was widely raised as a key challenge. Particulate matter from coal-fired power plants and internal combustion engines, is a significant source of local air pollution while also contributing to carbon emissions. Respiratory illnesses are common and human health issues were widely noted by communities in mining areas, especially coal mining, as a deep concern.

### ***Opportunities***

Many participants felt that there is an opportunity to change the way we use land, moving beyond just a focus on ownership. However, redistribution and ownership were raised and linked to dispossession and a lack of identity and dignity. Land is available but not well used. Stakeholders suggested that a way of rethinking this is to ask: what forms of ownership do we envisage in 2050 and how do we integrate our spaces in an equitable manner?

A shift from the current intensive industrial agricultural model to a more localised agro-ecology model, was a recurring theme in the dialogues. Linked to this was the issue of ensuring food security and sovereignty.

Stakeholders recognized that the concept of land use is broader than agriculture and food production, and includes transport and other social infrastructure, such as housing. Planning for climate disasters, for example through flood or drought resilient infrastructure that protects people, their livelihoods and their assets is an important land-use intervention. Spatial planning therefore needs to include improved densification and enhanced spatial equity. Investment in sustainable, green public transport systems should be prioritized over private transport.

An important issue is how land is used for mining and how mining waste is managed in relation to nearby communities. The proposal for a massive mine rehabilitation program was supported in many of the dialogues. Such a program would help with job creation and supporting livelihood opportunities in communities, while at the same time addressing ecological damage.

The critical role of municipalities in land-use management was emphasized and in some provinces the role of traditional leaders and chiefs was considered central to the land discussion. It was made clear that they need to be engaged in land-use planning.

### ***2.3.3. Energy***

#### ***Challenges***

South Africa's emission status in the world was raised as a challenge. Stakeholders identified the main contributors as being coal-based energy systems and combustion engine-driven transport systems, on land that is not densified in terms of use. Given that the same systems contribute to poor local air quality and consequent human health issues, most stakeholders saw the need for this to be urgently addressed. It was noted that the continuation of investment in fossil fuel assets will result in stranded assets in the country.

The Energy Intensive Users Group (EIUG) highlighted specific, related concerns, although they too desire energy security and affordability. Uncertainty around pricing and security jeopardises the security of their foreign investors in South Africa. They raised the question of their role, as coal is phased out and jobs are lost. Whilst this constituent recognises the need for a low carbon future, the transition has to be extremely

well managed, without breaking the economic system. Further discussions are required, with an analysis of the trade-offs needed.

The current state of the energy sector was widely identified as a challenge that urgently requires resolution. Most stakeholders saw undiversified power generation as a threat to the environment and to people, and identified the need to transform the regulatory environment and to unbundle the monopoly of Eskom.

Three factors were universally highlighted as being a threat to people, to development and to the economy: (i) increasing electricity prices, perceived by many as being linked to Eskom's unsustainability; (ii) lack of universal access to electricity and or safe alternative energy and (iii) unaffordable, often inaccessible transport systems, that emit large amounts of carbon.

### ***Opportunities***

All stakeholders identified the need for a low carbon future through reduced carbon from energy and transport systems. Perspectives varied on the extent of decarbonisation. Pathways identified by stakeholders revolved primarily around accelerating renewable energy and making transport systems cleaner, safer and more affordable.

Dialogue participants noted South Africa's high levels of solar radiation and significant wind resources, making a strong case for a more aggressive roll-out of renewable energy, while the opportunities for enhanced energy efficiencies were also widely noted. Participants noted recent trends toward renewable energy as being the lowest cost energy option, more so than coal. Thus, renewable energy was highlighted as an opportunity for transitioning the energy sector to cleaner, decentralised solutions. Opportunities were also noted in the automotive sector; some stakeholders specifically noted the opportunity for eradicating combustion engines and for producing and regulating the use of electric vehicles. The country's access to natural gas reserves was noted as a cleaner transitional fuel that could balance the variabilities within solar and wind. Participants also identified potentials from other fuels such as biogas, hydrogen (fuel cells) and biomass.

In some engagements there was a strong call for bringing in the communities, to develop joint ventures with industry and the potential to grow the informal economy in a positive manner. In terms of renewable energy growth, stakeholders and experts in Mpumalanga noted that, given the number of coal-fired power stations there, the province has all the infrastructure in place (such as access roads, bulk water, etc.), to develop renewable energy projects.

Following this, many stakeholders, particularly communities, highlighted the significant opportunity for developing community-owned energy projects and decentralised energy systems. Participants called for communally produced energy and systems management. Whilst most of the meetings talked to the need for decentralising energy and unbundling Eskom, few identified clear pathways for achieving this.

## **3. Draft Climate Vision for 2050**

The draft vision has been synthesised from what the stakeholders have said and inputs and amendments that were made at the Concluding Conference. Bracketed sections are areas of disagreement and we still need to build consensus on these specific issues.

## Vision 2050

Through putting people, especially those living in poverty and the vulnerable at the forefront, South Africa will have achieved a **zero-carbon** [*net-zero carbon*] economy by 2050. We have built the resilience of our economy and our people through affordable, *decentralised, diversely-owned renewable* energy systems; conservation of our natural resources; equitable access of our water resources and sustainable, equitable and inclusive land-use for all, especially for the most vulnerable. The high value we place on healthy ecosystems, land, water and air, underpins our future, and ensures a better life for all who live in South Africa.

### Box 1: Carbon future options – Explanation of the concepts

- A **zero carbon future** refers to a no-carbon future, with no carbon emissions released into the atmosphere through human activities (anthropogenic) such as energy generation, land-use, transport, industrial processes etc. Since there are no emissions, no carbon needs to be removed, captured, or offset.
- A **net zero carbon emissions future (also referred to as carbon neutral)** refers to a future where carbon emissions are balanced with carbon removal (carbon released = carbon captured or removed) and/or **carbon offsetting (a reduction in carbon emissions to compensate for emissions generated elsewhere)**. *Balancing carbon emissions in this way, through achieving a net balance, may limit emissions over time, however it is unlikely to lead to the levels of reductions in emissions that we need to achieve in order to keep to a global warming target of below 1,5 degrees, or even 2 degrees.*
- A **low carbon future** is also often referred to as a **decarbonised future**. (This is an economic and societal future that framed Chapter 5 of the NDP.) It refers to minimising emissions through basing the economy on low-carbon power sources. Pathways toward deep decarbonisation include: **limiting or eliminating the use of fossil fuels** (e.g. through switching fuel sources from coal to renewables); **waste reduction** (decreased consumption, reducing the emissions of waste products), **preserving valuable carbon sinks** often found in forests and agricultural land; and **conservation, or energy efficiencies** (demand-side management that reduces consumption, or that uses energy efficient technologies and materials).

**Overall, decarbonisation could be seen or positioned as an important incremental step toward achieving a zero carbon future by 2050.** It could smooth the transition by allowing government to set the example, and allow businesses time to reinvent themselves for a zero carbon world.

### 3.1. Critical approaches for achieving the Vision

This Vision will have been enabled by inclusive, participatory planning and decision-making that is transparent and accountable and puts justice at the core. Noting this, stakeholders highlighted **high-level, cross-cutting** themes that would need to inform the pathways for a Just Transition:

- The Just Transition must be considered from an **economy-wide perspective** and not only as an energy transition.
- There needs to be a proactive and managed approach to systemic and structural changes to the economy to avoid social and economic disruption. This includes the negotiation of **labour and social plans for sectors impacted by the transition**.
- **Collaboration, partnership, and good governance** is central to achieving a Just Transition. Without the participation of all stakeholders, especially workers, there will be no Just Transition.

- **Political will** is essential to enable vertically integrated policies and regulations to support the transition
- **Policy alignment and implementation** is critical.
- **Information and knowledge sharing, transparent data, awareness, and communication** with all parties will facilitate the planning for a Just Transition.
- Costing the pathways for a Just Transition, including the **identification and mobilisation of resources** for this is critical for the achievement of a just transition.
- The need to invest in education, skilling and reskilling will be critical for the success of a Just Transition

In addition to these cross-cutting themes, stakeholders expressed a vision for the future that was characterised by strengthened and improved governance and institutional arrangements, and enhanced capacity. This includes policies that create an enabling environment and incentives for shifting to a more sustainable and climate-resilient economy, including for businesses, investors and communities. Cooperation between various levels of government (i.e. national, provincial and local), as well as between departments, demonstrates cohesion and alignment, which increases efficiency and improves service delivery. Government departments at all levels will have enhanced capacity in terms of delivering the specialised and basic services required for a just transition.

Institutional arrangements are organised to comprehensively and systematically address the needs and priorities of the Just Transition. Government adopts long-term thinking and planning in combination with accountable and time-limited decision-making processes. At the same time, all government processes related to the Just Transition are highly democratic and transparent, and decisions about trade offs are guided by clearly defined criteria.

The poor and vulnerable - workers, women, children, older people and the disabled - will be empowered and thus resilient to climate shocks, extreme weather events and the onset of long-term climate change. Through addressing inequality, poverty and unemployment, particularly among the youth adaptive capacity and resilience to climate change will be built.

People will have been skilled and re-skilled for decent jobs and diversified livelihoods. Ownership and social enterprise within our land-use, water and energy systems will be accessible by all.

## 4. Common and divergent stakeholder perspectives, and key disagreements

A key objective of the dialogues was to identify where stakeholders shared areas of common ground or agreement regarding the pathways to a Just Transition. It was equally important to find out where their views diverged, and/or where there were key disagreements. This section highlights what emerged in terms of these aspects.

Firstly, there was overarching agreement amongst the participants regarding three key pillars to support a Just Transition, namely: the need for building trust amongst social partners and in our society; the need for strengthened and productive cooperation between government, labour and business; and the need for corruption-free governance.

In terms of the key areas of land-use, water and energy, while stakeholders strongly agreed on a number of important issues there were areas of nuance or divergences related to governance of these resources, for example, state ownership vs community ownership of land; the balance between conservation of natural resources and equitable access; advancing renewable energy development and the extent to which, and how, renewable energy can play a role in South Africa's future, in terms of ownership, industry,

reliability, and affordability. These issues, amongst others, still have to be resolved and moreover, almost all the meetings concurred that the hard conversations still need to take place, and the necessary compromises need to be considered, if the transition is going to be just.

#### 4.1. Common and Divergent Stakeholder Perspectives

Some common and divergent perspectives from the stakeholder dialogues are summarised in Table 1 and 2 below:

*Table 1: Common perspectives from stakeholder dialogues*

COMMON PERSPECTIVES FROM STAKEHOLDER DIALOGUES				
1. Governance	2. Land-use	3. Water	4. Energy	5. Economy/Development
<ul style="list-style-type: none"> <li>• Root out corruption – systems to monitor, evaluate, accountability</li> <li>• Need political will/enforcement</li> <li>• Inclusive societal decision making – business, labour, communities</li> <li>• Government creates an enabling environment for the just transition to a low carbon and environmentally sustainable economy through policies, regulations, incentives etc</li> <li>• Need for government alignment &amp; coordination</li> <li>• Localise to municipalities: assist capacity, services, engagement</li> <li>• Regulations that support the transition particularly at the local level</li> </ul>	<ul style="list-style-type: none"> <li>• Equitable access to land for agriculture, housing, livelihoods</li> <li>• Densify cities &amp; towns to create resilience/efficiency for energy, water, transport etc, including new building standards</li> <li>• Localise/decentralise food production – to lower carbon footprint, sustain livelihoods</li> <li>• Adopt agro-ecological models and new farming technology</li> <li>• Food security &amp; food sovereignty</li> <li>• Mine rehabilitation - restore land and create jobs</li> </ul>	<ul style="list-style-type: none"> <li>• Equitable, efficient access to quality water is critical</li> <li>• Improved water management system to establish water security</li> <li>• Promote water conservation and improve monitoring &amp; regulation - enforceable penalties for water-abusers</li> <li>• Citizens educated on the entire water lifecycle</li> <li>• Rehabilitation of water catchment areas</li> <li>• Waste water treatment key</li> <li>• Water meters/data systems - effective audit, monitor usage, distribution a priority</li> <li>• Compulsory Rainwater harvesting</li> </ul>	<ul style="list-style-type: none"> <li>• Development of a coherent energy vision</li> <li>• diversifying energy-mix with RE main source in mix</li> <li>• Decentralised energy - effective/ efficient generation, management, distribution that increases and broadens ownership and access</li> <li>• Community-owned/socially-owned RE which sell back to the grid</li> <li>• RE need to absorb/create jobs, reskill workers</li> <li>• Electric vehicles &amp; clean public transport critical</li> </ul>	<ul style="list-style-type: none"> <li>• Maximising job creation and economic opportunities across the value chains of RE</li> <li>• Circular economy approach whereby waste is minimised and resources maximised.</li> <li>• Need broad Climate Change education in terms of understanding impacts, &amp; opportunities</li> <li>• Training, skills development</li> <li>• Localisation of suppliers, jobs, community benefits</li> <li>• New opportunities for ownership and Entrepreneurship - jobs</li> <li>• Community engagement crucial for localised solutions</li> <li>• Link poverty reduction to green/RE solutions</li> <li>• Danger of disinvestment if no visible green transition</li> </ul>

**Table 2: Divergent perspectives from stakeholder dialogues**

DIVERGENT PERSPECTIVES FROM STAKEHOLDER DIALOGUES				
1. Governance	2. Land-use	3. Water	4. Energy	5. Economy/Development
<ul style="list-style-type: none"> <li>• State ownership of resources, no privatization</li> <li>• Municipalisation of resource management and control a problem due to capacity and mismanagement problems</li> <li>• Government too influenced by business interests</li> </ul>	<ul style="list-style-type: none"> <li>• Mining companies, traditional authorities, Dept of Mineral Resources colluding on land-use</li> <li>• Government should fund the rehabilitation of mines</li> <li>• The Market should be left to manage land use &amp; distribution</li> </ul>	<ul style="list-style-type: none"> <li>• Municipalities should explore and fund alternative sources of water</li> <li>• Ringfence water budgets</li> <li>• Conserve wetlands, prioritise environment needs</li> <li>• Stop oil exploration in ocean</li> </ul>	<ul style="list-style-type: none"> <li>• Cities buy direct from Independent Power Producers (IPPs)</li> <li>• Speed up REIPP program</li> <li>• Off-grid households erode subsidisation of poor</li> <li>• Government support for small-scale RE projects</li> <li>• Coal generation still needs to be in energy mix</li> <li>• Need to get out of coal</li> <li>• Prohibit loans to fossil fuel sector, remove subsidies,</li> <li>• Municipalities have no capacity to decentralise energy</li> <li>• Eskom unbundling</li> <li>• Zero carbon vs net zero</li> </ul>	<ul style="list-style-type: none"> <li>• Need new economic system and structure</li> <li>• Global trends for coal sector has implications for exports</li> <li>• Health impacts of coal power stations and mining</li> <li>• Air pollution not considered</li> <li>• Need to look beyond GDP as a measure of success</li> <li>• Green economy to dominate</li> <li>• Risks to BBBEE in key sectors</li> </ul>

## 4.2. Areas of Stakeholder Agreements and Disagreements

Some of the most contentious issues for stakeholders were the following:

- The pathways for reducing carbon emissions (see Vision and Box 2). The Concluding Conference reached consensus on achieving a zero carbon economy by 2050. There were some who felt that this was not feasible and thought that net-zero was a more viable option. It should be further noted that whilst zero carbon is ambitious it is not impossible. If electricity is rapidly decarbonised combined with a shift to electric vehicles this will have an impact on emissions and a domino impact on large industry.
- The conflict between mining as an economic land use on one hand, and the human right to clean air and water, and uncontaminated land on the other.
- Resource governance and ownership, specifically related to electricity. The issue of privatisation of electricity is an area of disagreement, with some stakeholders challenging the REIPP projects and calling for socially-owned (community/worker or state-owned) Renewable energy
- Decentralised resource governance – devolved to municipalities; some strongly disputed the feasibility of doing this given the capacity of municipalities.
- Energy mix – and timing of coal phase out. While the conference agreed to the phase out coal, it was strongly felt that this can only happen through an inclusive and transparent just transition planning process.
- The future of Eskom – there was no agreement on the unbundling of Eskom, some felt that this could open the risk of privatisation. Some stakeholders felt that Eskom should become a state-owned Renewable Energy entity.

## 5. Pathways towards the 2050 Vision

### 5.1. Framing an approach to the development of Pathways

For the purposes of this process, the term pathways refers to the course of actions required to achieve the end state or Vision. Since the dialogue process resulted in many ideas about what needs to be done, with areas of agreement and disagreement, it is not possible to present definitive pathways in this proposal. The actions that have been identified can be considered as **building blocks** towards the development of pathways once consensus on the Vision and areas of divergences and disagreement have been resolved.

Specific actions/interventions will need to be developed and agreed to by the social partners, in the development of the Pathways, including how these interventions contributes to the transition being just. The determination of time-frames for the phases of implementation of actions, the sequencing of these actions, incremental targets, the identification of responsibilities, explicit decision-making points in terms of trade offs, costing and resource mobilisation would all need to be included in the development of these pathways.

The process of implementing the pathways and reviewing progress toward these, should be iterative and organic. This will allow for adjustments and fine-tuning as changes impact on the country (e.g. new technologies, new economic policies and new ways of gaining traction).

### 5.2. Emerging building blocks for the development of Pathways for Water, Land-use and Energy

Three interconnected pathways emerge from addressing the Vision for 2050, and are outlined below:

#### 5.2.1. Water

#### 5.2.2. Land-use

#### 5.2.3. Energy

While presented as distinct areas, the integration and interconnectedness of the pathways is important – the objective is that their whole is greater than the sum of their parts..

In terms of ensuring the transition is a just one, these pathways incorporate issues of equitable access and affordability for all, along with decentralised governance and enhancing the state of the resource. Together, these are intended to ensure reduced poverty, improved equality and increased employment among all of South Africa's citizens.

Please note that the proposals for pathways/building blocks presented below are only indicative ideas. The concluding conference agreed that much more work needs to be done on these proposed pathways and that this could be left to the further planning work that needs to take place through the Presidential Commission on Climate Change when it takes forward the work on the Just Transition. (Please also see section 5.3. on the proposal for institutional responsibility.

### 5.2.1. Water for All

## WATER FOR ALL



### ***End State for Water for a Just Transition***

By 2050, water is recognised as a **high value economic and social development resource** by South Africa's people, institutions, policies, and water resource management structures – this includes all sources of water. Water pricing also reflects this value. People are at the centre of South Africa's water solution – everyone can afford and access enough clean water. Joint planning between the country's social partners, including communities, is the norm. Implementation is incentivised (by affordable but cost-reflective prices; and universal access to safe, adequate water). Supply interruptions are eliminated by having well-maintained, climate-resilient infrastructure; proactive forward planning for more extreme climate events; and improved, decentralised governance. Water resource management decisions are decentralised to the most appropriate level and institutions are well capacitated to manage local, regional and national water systems. Strong governance will be in place and corruption will have been eradicated.

### ***Indicative Baselines in 2019: (Please note – this requires further work)***

- According to StatsSA, approximately 90.1% of people in South Africa have access to safely managed drinking water sources. However, ±46.4% of households have piped water systems supplying them. While approximately 81.5% of people living in South Africa use safely managed sanitation services, the percentage of households that have these services in their own household is notably lower.
- 60% of allocated water is consumed by the agricultural sector
- Very little progress in the WCM policy implementation
- Quantity and quality of water resources are threatened
- Wetlands and rivers are polluted
- Currently, two fully established, active Catchment Management Areas (CMAs): the Breede-Gouritz and Inkomati-Usuthu. Thus little progress in policy implementation.
- The water sector funding gap is ±R330 billion over the next 10 years.
- Resource quality objectives have been determined for several of the Water Management Areas (WMAs) in South Africa, such as the Middle Vaal, and Mvoti to Umzimkulu.

## **Pathways/Building blocks to 2050 (Please note that this requires further work and negotiation)**

### **2019**

Set up a working group that will have a hands on approach to the just transition for water and will consider the nexus between the three areas of land-use, water and energy.. The group will be representative of all key stakeholders and will be appointed by the overseeing committee for the just transition.

Start to develop systems that pave the way for water for all.

Improve accountability +

Build awareness campaigns so that all citizens understand importance of reducing water consumption

- Ensure accountability of the Catchment Management Agencies
- Explore other revenue models/sources for local government. Municipalities need to be incentivised to reduced water consumption in the customer base.
- Strengthen the Department of Water and Sanitation regulations, so that licences, allocations, claims and disputes can be settled more effectively and efficiently by the water tribunal. Strengthening such regulations will also provide a platform for better monitoring and evaluation of water resources and can help enforce water rights.
- Reduce water consumption through awareness campaigns in all sectors

### **2020-2025**

Develop integrated and joint water planning for water services that includes addressing pollution, rainwater harvesting and high industry consumption

Penalise over consumption

Develop a monitoring and evaluation system

- Review and alignment of policies and regulations relating to water
- Must address water poverty and water allocations
- Joint and integrated planning for water services to start
- Address sources of pollution
- Ring-fence 30% of the water budget to fund the Just Transition. This fund must be used to set up community ownership focusing on women and youth, which includes education and capacity development to enable them to make decisions on water management.
- Alternatively, build ownership on localised sources of water, e.g. communities could be taught to manage boreholes and sustain them at little cost to the government.
- Rainwater harvesting should not be for households only. The current storm water systems are outdated as they do not contribute to any sort of rain water harvesting and are not adequately managing floods. Thus storm water systems should be redeveloped to contribute to harvesting rainwater for use and to handle heavy downpours and prevent flooding.
- Ensure that there is water limitations where there has previously been and unlimited access to water and increase in low income areas.

- Penalise over consumption
- Hold polluters accountable
- Develop a monitoring and evaluation system
  - Upgrade and repair infrastructure
  - Joint partnership for resource quality objectives – RQOs should be defined and then begin to outline its objectives
  - Revise water legislation
  - Educate communities on water change behaviour – develop a communication strategy
  - Mandate rainwater harvesting in all new build

### **2025-2030**

Implementation of plans is taking place

Funding sources are being considered

Water efficiency is happening and water management is decentralised

- Capacitate and empower district-level WSAs to effectively and efficiently manage water resources and sectors
- Enhance efficiency of water use and demand in all water resources
- Decentralise management structures
- Subsidise rainwater harvesting for productive use

### **2030-2035**

Ensure infrastructure investment happening

Ensure monitoring and evaluation is taking place and develop plans to fill gaps

- Joint planning and formal relationships have been formed between WSAs, CMAs and communities
- Implementation is taking place and new actions are developed as technologies change and people's behaviour changes.

### **2035-2050**

Ensure that systems are running well

Ensure that through monitoring and evaluation municipalities and water systems respond to what might not be working so well.

- People have access to reliable, affordable and safe water as well as access to sanitation; integrated water management systems from source to sea, managed at a regional or national level; monitoring and evaluation of water for all; increased enforcement and monitoring/management of our water resources, including boreholes

## 5.2.2. Productive and Equitable Land-use



### ***End State for Land-Use for the Just Transition***

By 2050, land use is sustainable, equitable and inclusive and thus tangibly contributes to a climate-resilient, zero-carbon economy. To this end land is put to productive use and equitably shared. Intrinsically linked to the Water for All pathway, local ownership and policy support for sustainable and equitable land use mitigates the never-ending demand for water; land is productive, even in areas of low capital investments. Skills development means everyone can add value through increased land use-based jobs and social enterprises enabled by equitable access to land. The focus on urban land ownership is on access to decent urban housing, through densification that eases demand for safe and affordable public transport and other services. Agro-ecological methods of farming has led to food sovereignty, revitalisation of ecosystems and reduced land-use based emissions. Collectively, these measures improve local air, water and land quality, thus increasing ecosystem services for inclusive use, and gradually reducing land use-based carbon emissions to zero, from the current baseline, by 2050.

### ***Indicative Baseline in 2019: (Please note that this requires further work)***

- Urban sprawl with poor communities generally on the periphery of cities – very
- This results in increased costs of service delivery and health implications
- Transport is inefficient
- Land-use planning is conducted in silos
- 35% of South Africa’s population live in rural areas making this a significant part of our landscape
- Most of these households are amongst the poorest of the poor with little opportunity for productive use of land
- There is increased land degradation which is hazardous to air quality and productive use of land

## **Pathways/Building blocks towards 2050 (*please note that this requires further work and negotiation*)**

### **2019**

Set up a working group that will have a hands on approach to the just transition for land-use and will consider the nexus between the three areas of land-use, water and energy. The group will be representative of all key stakeholders and will be appointed by the overseeing committee for the just transition.

Land programmes should be reviewed

Education and training of trainers programme to be established

Need to define what we mean by sustainable land use

- Need to address how to tackle land programmes and the forced removal of informal settlements.
- Undertake an analysis of the political economy of agriculture and inequitable access to land and water.
- Develop a coherent plan for youth training and education.
- Develop a coherent plan for training of trainers (teachers)
- Review mining and oil and gas licensing arrangements
- Political buy-in and commitment, with budget allocation from government to begin acting now
- Issues of land ownership to be addressed, how land can be owned and used productively

### **2020-2025**

Joint planning for land use and urban development

Rehabilitate degraded land

Define and spell out what is meant by sustainable livelihoods and ecological issues

- Review and alignment of all land and agriculturally related policies that include both rural and urban areas
- Decision-making processes to be differentiated and vertically aligned among the three spheres of government.
- Ensure that the voices of the rural and urban communities are heard and engaged.
- Need to develop a clear position/policy on fossil fuel industries, licencing arrangements and impact on land-use
- Review land densification policy at the city level
- Undertake joint planning for land use and urban development which includes green urban spaces
- Behaviour change to be incentivized in rural and urban areas but linked to community rights in relation to land-use
- Start process of rehabilitating degraded land

- Engage with transport planning Reskilling and education in terms of land-use to engage the unemployed

## **2025-2030**

Consolidate plans and begin implementation

Develop funding

Specify municipal, provincial and national obligations

Specify community and other stakeholder obligations

- Decisions on ownership and spatial justice also need to be made at a national level. This applies to water rights as well.
- Undertake fiscal reforms on land use
- Local government needs to be sufficiently capacitated and resourced for decentralised decision-making.
- Land tenure should be included as a key deciding factor in debates about the value of land and wealth-building .
- Land-use also intersects heavily with transport, energy, urbanisation, water, farming and biodiversity.
- Urban land-based livelihoods should include informal traders who operate from pavements – the focus should not be solely on agriculture.
- Fiscal reforms undertaken
- Land distribution (e.g. The 1 hecter 1 house project by the Department of Rural Development and Land Reform) restricts farmers from gaining from economies of scale, which is a challenge to food security.
- Stronger community participation is needed, to ensure that beneficiaries of initiatives are involved in the decision-making process. Plans such as the Integrated Development Plan (IDP), need to be simple and understandable, so that communities do not get misled.
- Increase urban agriculture
- Allocate land for productive use

## **2030-2035**

Monitoring and evaluation of changes

Identify areas that need to be focused on and implement further changes

- Monitoring and evaluation of progress which is likely to identify new areas of work and new plans
- There is a need to incentivise behaviour change that replenishes and protects the Earth and drives sustainable land management practices through agriculture/agro-ecology while creating jobs.
- Air quality and pollution of land and water has been improved
- Identify gaps and develop new plans accordingly

## **2035-2050**

Land use changes continue to ensure that the vision is reached by 20150

- Urban densification has been increased significantly
- Degraded land has been restored
- Air quality is substantially improved
- Land is productive
- Ecological reserves have been restored

### 5.2.3. Energy – Zero Carbon – Zero Energy Poverty

ENERGY



#### **End State for Energy for the Just Transition**

By 2050, energy poverty is eradicated. This is achieved through enough, affordable renewable energy for all. The electricity supply industry (ESI) is decentralised and ownership diversified, including community-owned/socially owned renewable energy. Local and district authorities are empowered to secure energy equity and independence for their citizens and industries and to transform the transport sector. Through a scaled up Renewable Energy program, including the value chain, employment creation and local manufacturing is increased. With this, decentralised systems and independent investment help us to achieve our zero carbon objectives. Inclusive transformation of the energy sector has been proactive, involving all social partners and particularly, communities.

#### **Indicative Baseline in 2019: (Please note that this requires further work)**

- 87% of households in South Africa had access to electricity through the national grid in 2017. Despite this, 47% of South Africa's population are considered energy poor, as they spend more than 10% of **their income on energy needs**.
- 85.7% of electricity in South Africa is generated through coal-powered stations, with less than 2% coming from wind and solar powered generators
- The monopolistic structure of the electricity sector is held by Eskom
- The transport sector contributes 10.8% of the country's total GHG emissions, with road transport being responsible for 91.2% of these, due to its heavy reliance on fossil fuels.
- The transition is already happening

#### **Issues to consider in 2019:**

Of all the groups this is the group where the least consensus was achieved in terms of zero carbon. This group included some of the big energy intensive industries. Therefore the issues are more complex and will need more consideration in final time lines. Some of the issues to be addressed within the next year are the following:

- The risks of the energy transition need to be highlighted. For example, energy security is only mentioned once. The pathways need to consider and plan for dealing with the risks. This is important for political buy-in from the start.
- The current state of energy in the country, does not align with future plans for zero carbon emissions. Two coal-fired power plants are coming online that South Africa will be locked into for many years past 2050. Should they be decommissioned? Europe is also dumping diesel cars in developing countries including South Africa, and nothing is being done to stop this.
- The pathways must be linked to research, technology trends and the 4<sup>th</sup> industrial revolution, as well as to the global policies developed around zero carbon and sustainable development.
- Resilience strategies need to be factored into the pathways.
- There needs to be an understanding of the various sources of emissions and the expenses related to them. What are the contributing factors to emissions and what are the costs related to addressing the emissions?
- The pathways should align with carbon budgets.
- Change must come through mobilising the political power to change the system.
- The document does not mention the “no-regret” options and the resiliency or flexibility of pathways. This is critical in a changing climate and a rapidly changing world, with new issues and technologies constantly emerging.
- How does the Just Transition factor in migrant foreign workers?
- What does it mean to “eradicate big energy build programmes”.
- Zero carbon needs to be clearly defined.
- Just processes in the transition: consider what the difference is between “equitable” and “just”.

### ***Future of coal***

The consensus was that there is no future for coal however it must be well planned in terms of a just transition to mitigate job losses, energy shortages and weakening the economy

We also need to examine the entire coal value chain in the run up to no coal.

Coal pricing is crucial in the phase out so that social and environmental damages are internalised in the cost making it significantly more expensive than renewable energy

Investment in coal must be terminated

Eskom can continue to exist but not be coal based – one group recommended that ownership of electricity should move from Eskom to another form of entity. This is because transmission should be controlled by one entity.

*Pathways/Building blocks to 2050 (please note this requires further work and negotiation)*

## 2019

- Set up a working group that will have a hands on approach to the just transition for land-use and will consider the nexus between the three areas of land-use, water and energy. The group will be representative of all key stakeholders and will be appointed by the overseeing committee for the just transition.
- Reskilling is a priority and needs to start immediately
- Local government needs upskilling on planning for a green economy.
- Co-generation from big mining and manufacturing plants should be included as a source of energy.
- The draft Integrated Resource Plan (IRP) 2018 includes natural gas, which is flexible and complements the volatility of renewable energy. Gas is needed to replace coal to liquid.
- An industrial policy is needed to deal with hotspot areas.
- industries should be cleaning up water and piloting the return of land for agricultural purposes.
- Government and the private sector need to partner with communities to assist with community-owned projects through creating an enabling environment to capacity building and funding.
- Labour and social plans, together with a jobs and a competitiveness programme, are important to keep energy prices low for poor households.
- Cities must play a bigger role and take the lead in the Just Transition, as this is where the challenges of poverty and inequality are experienced.

## 2020-2025

- The IRP should be finalised and be aligned with a zero carbon future
- The development of a vision is a process and should evolve through a transition process/plan. That plan should include the empowerment of people to enable them to have socially owned projects.
- Discussions to start on the ESI restructuring and legal framework
- Develop a plan to rehabilitate land and towns as coal mines close
- Develop social protection systems for those who will be affected by a no coal future
- Develop models for affordable electricity
- Develop plans that facilitate socially owned renewable energy and enable households to generate their own electricity
- Develop functional policies and regulations to ensure the diversification of energy generation
- Municipal by laws should be updated to facilitate community generation of energy
- Develop a renewable energy industrialisation plan that includes ecosystem rehabilitation and a social insurance plan to protect communities
- It's important to find and understand South African or SADC examples of dealing with the Just Transition.
- The Integrated Energy Plan, which considers liquid fuels not just electricity, should be included as a key policy that needs to reflect our emissions goal. It should be divided into smaller packages to make it more attainable.
- To be addressed urgently are policy certainty and alignment with associated legal frameworks; mandates to manage the transition; energy efficiency and renewable energy targets and air quality standards to be set.
- Incentives for electric cars should be in place, including manufacture and importation.

- Establish a monitoring and evaluation system to check if objectives and milestones have been achieved.
- A focus is needed on strengthening the education system and skilling people for a future economy.
- The Department of Trade and Industry should lead on skills development and provide an enabling environment and incentives for such initiatives.
- Energy security must also be viewed on a spatial scale. Some technologies and approaches work better on a regional, rather than national or local, scale.
- Renewable energy is key to mitigating climate change, however other potential technologies should be considered, such as clean coal and carbon capture and storage, if found to be practical.
- Mining companies and Eskom should be mandated to release data on how communities will be affected – environmentally and socially – by operations.
- There should be a separate plan for the most vulnerable groups.
- Social and labour plans must be implemented.
- There needs to be social protection for those who will be affected by job losses.
- The discussion on a Just Transition should include all three spheres of government and not just national government.
- Government needs to be set up to a better method of “experimentation” and ensure that knowledge and information sharing happens vertically and horizontally. This methodology must form part of implementation plans.
- Unbundling and decentralised energy system is set up but should remain state owned (although there was no consensus on the state owned element)
- Municipalities need to be governed by strict regulations to prevent under performance
- Plans in place to eradicate energy poverty
- Renewable energy requires land therefore government must ensure a balance between food security and energy.

## **2025-2030**

Implementation is well under way

Monitoring systems will indicate changes in plans that need to be undertaken and changes in actions

Energy poverty is eradicated.

- A consensus has been reached on the Just Transition and managing job losses.
- A full monitoring system should be in place
- Establish re EE and air quality standards
- Establish a fully operational RE sector
- Establish incentives for the transition
- Reduce and further phase out of coal

## **2030-2035**

All the above actions will be well under way

New technologies will be emerging and plans will continue to be adapted and changed

- Continue implementation and development of plans as outlined above

### **2035-2050**

All people living in South Africa have access to affordable, clean and safe energy

Decentralisation and diversification of generation into renewable energy resources

Increased localisation with local manufacturing and small enterprises

Zero and local emissions from transport, industry and electricity generation.

### **Presenting an alternative approach to deal with Energy pathways:**

#### **2050**

Overall: Net zero carbon from transport, industry and energy generation.

- Energy security and access are stable into the foreseeable future
  - Social: All people living in South Africa have access to affordable, clean and safe energy (electricity and transport)
  - Energy: Electrified transport integrated into local distribution network storage solutions in cities
- Energy system support national and local economic development priorities
  - Energy systems that provide a foundation for economic empowerment (incl. productive use)
  - Local green industries are viable and thriving and South Africa trades with the rest of the continent in these areas: Maximised / optimised localisation (beneficiation) with local manufacturing and small enterprises. / Competitive RE manufacturing industry for selected technologies
- Energy system supports ecological resilience and share of RE aligned with net-zero carbon target in energy mix
  - RE technology is resource efficient (water and other inputs) and recycling is incorporated into RE value chain

#### **2035**

Overall:

- All building blocks for decarbonisation and inclusive development in place

Electricity

- Sales of new vehicles are predominantly non-ICE (EVs and co)
- All coal-fired power plants except Medupi and Kusile retired

- EVs integrated in electricity supply industry (EV2G)

#### Transport

- Maximised road to rail potential
- Phase out of ICE-based public transportation (buses and taxis)
- Efficient, integrated public transportation systems in all urban areas

#### Equity

- Resilience plans for coal VC implemented (alternative livelihood, rejuvenation, diversification, etc.)

#### Climate

- Rapid decarbonisation well underway and in line with IPCC / net zero carbon targets

### **2030**

#### Overall

- Phase out of fossil fuel subsidies
- New funding model for municipalities implemented (to respond to technological developments and increased SSEG)
- Human capital and consumer participation

#### Electricity

- Optimal use of SSEG by metros and cities to fulfil their mandate
- Regular maintenance plans for transmission and distribution established and implemented
- Optimised transmission grid to address inefficiencies in the system and enable localized generation

#### Transport

- Fully transition automotive manufacturing sector to EVs and other alternatives
- Adequate, affordable low-carbon urban-rural linkages (public transportation)
- Efficient, integrated public transportation systems in selected metros
- Fully transitioned government fleet to EVs
- Transport systems responsible to people's mobility needs

#### Climate

- The transition of the energy mix (electricity and transport) is now in line with IPCC / net-zero carbon targets

## Equity

- Affordable electricity access for all
- Fully retrofitted housing and infrastructure
- Resilience plans implemented for affected areas (coal VC)

## 2025

### Overall policy framework

- Coherent policy framework: regular, update IRP and IEP are responsive to ongoing data collection and updates, and consultation
- Local level electricity billing, data collection and planning accurate and up to date to feed into national policy processes
- Internalisation of externalities in the design of IRP and IEP
- Review of municipal funding model
- Review of SED, ED and community ownership in IPPs to optimise local benefit
- Clean audits at all electricity and transport state-owned enterprises, the DME, the DPE, and municipal electricity distribution companies

### Electricity mix

- Policy certainty on new build programme
- Clear commitment to RE and phase-out of coal
- Clarity on Constitutional role of municipalities in electricity system
- Improvement of energy demand modelling assumptions based on real data from municipalities on SSEG systems
- Enabling regulatory framework for SSEG (incl. pro-poor), IPPs and alternative ownership models (incl. community)
- Capital and investment crowding into RE manufacturing and builds at various scales
- Restructuring of ESI finalised, based on broad consultation and ongoing engagement
- Eskom stabilised and refinanced (in whatever form)
- Industrial energy efficiency is mainstreamed within SMMEs and large companies

### Transport

- Strategy for road-to-rail transition + enabling framework + established investment partnership
- Enabling policy framework for e-mobility (EVs, gas-based, etc.), with a focus on public transport and fleets
- Increased piloting of EV infrastructure at municipal level
- Major public sector fleets transitioning to EV

## Climate

- New target for GHG emissions aligned with IPCC's fair share and the goal of net zero by 2050
- Municipal GHG mitigation plans in place in all metros, with annual reporting in place
- Established EE, renewable energy and air quality standards and targets
- All operational coal-fired power plants are compliant with environmental standards on GHG and particulate emissions
- Municipalities have begun to pilot/implement/expand local climate-compatible financial innovations (e.g. green bonds, carbon pricing and trading)

## Equity

- Adequate plans for the just transition for the coal phase out (national and local resilience plans) are designed in consultation with communities, labour, local governments, industry, civil society etc.
- Programme to retrofit low-income housing
- Review of FBE across municipalities to incorporate (small-scale) RE solutions to better meet energy service needs of low income

## 2019

Overall: highly carbon intensive and unequal society and economy

- South Africa was ranked 114<sup>th</sup> out of 115 countries in the recent [World Economic Forum \(WEF\) Energy Transition Index 2018](#)
- Ongoing policy uncertainty at all levels of government

## Energy security and access:

- Vertically integrated, monopolistic structure of the electricity sector
- Eskom is technically insolvent (R450 billion debt) and plants are operating at 70% availability, both issues presenting real threats to South Africa's national development and growth ambitions
- Coal-based electricity generation still dominates and all Eskom power plants are falling behind on environmental compliance (GHG and particle emissions) with dire impacts on local community health and wellbeing
- Near-universal energy access but last 10%-15% proving expensive and challenging due to remoteness from distribution grids or transient dwellings, and lack of business models to meet the needs of these households
- Deep energy poverty, due to unaffordability of electricity, with households fuel-switching back to dangerous paraffin and kerosene

Energy system support national and local economic development priorities

- Electricity prices have increased by 400% over the last ten years, and are set to continue increasing year on year
- Unsustainable municipal financing model (reliance on electricity sales surplus)
- Private sector investment in DERs not benefitting society as cannot feed into the grid
- Local RE manufacturing has been adversely impacted by policy uncertainty in REIPPPP

Energy system impacts on climate/ecological resilience

- South Africa is behind on decarbonisation commitments
- Energy inefficient housing
- Energy inefficient commercial buildings
- PPD as a target for GHG emissions
- Road transport inefficient and reliant on fossil fuels

### 5.3. Implementing the pathways - recommendations

In addition to the Social Partners agreeing the pathways for implementation, the process also needs to consider the institutional arrangements for overseeing the planning and implementation of the Just Transition as well how to finance the pathways.

#### **Institutional Responsibility for the planning and implementation of the Just Transition in South Africa**

While there were some concerns about the proposal for the **Presidential Climate Change Coordinating Commission**, holding institutional responsibility for the planning and implementation of the Just Transition, it was agreed that we need to explore the mandate of that Commission so that it does not only have a narrow jobs focus and that it has a broader mandate for planning a just transition. It was also agreed that any platform appointed should be representative and inclusive of all social partners, including rural dwellers.

#### 5.3.1. Financing

A range of financing opportunities, that if effectively harnessed and coordinated, could make a significant contribution to achieving the 2050 Vision. These include amongst others:

- **Government finance through its budgetary framework,**
- **Bilateral climate finance to supplement domestic sources of finance.**
- **Multilateral climate funds**, e.g.: **Climate Investment Funds (CIFs), Adaptation Fund, Global Environment Fund (GEF) Green Climate Fund (GCF).**
- **The Carbon Tax**
- **The private sector**
- Review municipal funding models to ensure the poor do not suffer disproportionately and cross subsidisation continues

It is recommended that the Presidential Climate Change Commission commissions an audit of these funding opportunities – both existing and planned, to inform a consideration of how to tap into these funds for furthering the pathways toward the Just Transition.

## 6. Proposals for immediate actions

### 6.1. Planning for job losses and job absorption

- Carry out/augment targeted research on projected job losses through declining industries and sectors, such as mining (not only coal), in an economy that is no longer resource-based (TIPS/DEA)
- Assess potential for job absorption in the economy including in new green sectors.
- Promote the expansion of a green economy, which is by definition inclusive and just, providing decent jobs, expanding active labour market policies, such as the Expanded Public Works Programme (EPWP), support and expand SMMEs.
- Explore the potential of the One Million Climate Jobs proposals.
- Develop a strategic targeted **skills development plan**.
- Undertake comprehensive planning for each industrial and manufacturing sector for the future transformation.
- Promote private sector investment and enterprise development opportunities.

### 6.2. Negotiating Labour and Social plans for the decommissioning of Coal-fired Power Stations

The plans for decommissioning of Coal-fired Power Stations will have a huge impact on workers employed at these facilities and its value chain. Communities in the affected areas will also feel the impact of these closures. The time-frames for the decommissioning was presented in the draft IRP 2018 (not finalised as yet). It is proposed that negotiations and the development of Labour and Social Plans for these imminent decommissioning, take place immediately to ensure a Just Transition for workers and communities. There is a need to establish a jobs and competitiveness programme (JCP) funded by Treasury. A JCP could be included in the Climate Change Bill.

### 6.3. Implement Just Transition Pilots in 2 Hotspots

During the NPC Dialogue processes in Provinces, it became clear that developing a Just Transition for the whole country will be complex and involve complicated negotiations on all fronts that might take a long time. There are regions in the country where the need for Just Transition plans are urgent. The dialogue in Mpumalanga highlighted this. The Highveld region, which has a regional economy based on coal (coal mining, coal-fired power stations, coal-to-liquids, coal trucking) and has all the socio-economic challenges that come with this, including serious problems with air quality.

It is proposed that the **Highveld region** be selected as a pilot for Regional Just Transition planning. This would be a demonstration for the Energy Sector and relates to mitigating climate change.

The proposal for the 2<sup>nd</sup> Hotspot is the **Free State**. The economy in the Province is dominated by Agriculture. The impacts of the drought on this sector has been immense and includes huge job losses of farmworkers. This work would highlight the need to include sectors that are already feeling the impacts of climate change and requiring adaptation plans against climate change.

By selecting this Province/region we would be able to demonstrate a different sector with its unique impacts and challenges.

## 7. Next Steps

- Revise the Proposal based on the outcomes of the Concluding Conference and re-circulate.
- Gather further inputs, deepen the work, flesh out the pathways, continue building consensus in the period between the Concluding Conference and the final Summit planned for later this year. The revised proposal could be used as a basis for negotiating a social compact on the Just Transition led by the Presidential Climate Change Commission if established by then, or the appropriate structures in NEDLAC.
- The outcomes will also inform the current review by the NPC of the National Development Plan, and in particular Chapter 5 and other relevant chapters.

## 8. Conclusion

The NPC wishes to thank all those that participated in these Dialogues from across the country and constituencies. Your participation and contributions have provided a valuable basis for keeping the conversation and debates on the Just Transition open between social partners. We are hoping that hearing the diversity of perspectives from different provinces and sectors will help build a better understanding amongst stakeholders and will assist in building a national consensus on what we need to do to address climate change and environmental degradation, where we need to be by 2050, as well as on what needs to be done to ensure that the transition is indeed just.

We look forward to your continued participation.