

SA's funding partners want to see rapid action on just transition

Plans must fast be turned into action and SA's partners in the EU and US have urged government to provide an implementation schedule

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Picture: FINANCIAL MAIL

SA's just energy transition plans have received strong support from global leaders over the past two weeks, accompanied by calls for the plans to be translated into

action without delay.

During her visit last week US treasury secretary Janet Yellen said in a meeting with local and international philanthropic institutions that SA will “need to see concrete action soon to keep up momentum on the Just Energy Transition [JET] Partnership”, repeatedly emphasising the US’s commitment specifically to the “just” part of the JET.

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Both the US and the EU, which together with the UK, Germany and France agreed at COP26 in 2021 to provide \$8.5bn in funding for SA’s JET, have since committed to increase their contributions by making grant funding available for projects in support of those communities in mining areas that rely on SA’s coal-based energy system and will be most affected by the transition.

The US has announced that over and above its \$1bn contribution to the JET, it will contribute an additional \$45m for projects focusing on the “just” element, while the EU has committed an additional €35m in grant funding and will aim to increase this in time.

In an interview with Business Day earlier in January, the EU’s ambassador to SA, Sandra Kramer, said the EU was “trying to up the €35m because of the importance of getting the ‘just’ part right”.

Kramer — who like Yellen reiterated that the JET partners are supportive of the SA-owned and SA-led decarbonisation strategy — said the government needed to provide an implementation schedule.

The EU and other partners have endorsed the Just Energy Transition Investment Plan (JET-IP) that President Cyril Ramaphosa presented at COP27 in Egypt last year, and will offer support based on this plan, she said. “What we are looking for now is an implementation plan that the government of SA will provide.”

‘Concrete action’

In her meeting with philanthropic organisations in Johannesburg on Friday, Yellen highlighted the urgency of taking action. “We must demonstrate quickly that these coal communities, which are already struggling with unemployment, poverty and the health impacts of coal mining and emissions, will not be left behind in the context of an energy shift that benefits other regions. SA will need to see concrete action soon.”

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Yellen said in her discussions with Ramaphosa and mineral resources & energy minister Gwede Mantashe on SA’s JET that the US will try to “support a set of plans that SA has devised itself that involve a gradual transition”.

Speaking during an ANC energy dialogue in Johannesburg last week, Mantashe said some of the disagreement about SA’s JET was due to some interpreting this as a transition from coal-fired energy generation to renewables, when from his perspective this had to be a transition from high to low emissions.

In contrast to the emphasis these investment partner countries are placing on the social and developmental aspects of the just transition, the R1.5-trillion JET-IP focuses predominantly on investment in the electricity value chain, green hydrogen and new-energy vehicles.

The investment plan, which was endorsed by cabinet last year before it was released at COP27, is expected to come under scrutiny during a public consultation process.

While it does make provision for social investment and skills development, more than 95% of the proposed spending is being earmarked for investment in the three areas mentioned above.

Infrastructure

In a recent briefing note, Gaylor Montmasson-Clair, a senior economist for sustainable growth at Trade & Industrial Policy Strategies, said when looking at details to ascertain to what extent the JET partners and investment plan were “decarbonisation versus just transition plans”, infrastructure projects are allocated 93% (R1.37-trillion) of the R1.5-trillion funding and “economic diversification and innovation are allocated a mere R83.4bn”.

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According to Montmasson-Clair, social investment and inclusion, as well as skills development, receive R9.6bn and R2.7bn, respectively. Overall, in the JET-IP, R60bn is considered to be necessary for a just transition in Mpumalanga’s coalfields.

Referring to the R60bn, Yellen said these investments cover a range of activities, including funding to support local communities and to develop supply chains for new-energy technologies, and partnering with the coal workforce through job

reskilling.

For Eskom's Komati power station in Mpumalanga, the first of at least four old coal-powered stations that will be decommissioned within the next five years, the World Bank has approved SA's request for a R9bn project to repurpose the power plant using renewables, and to create opportunities for affected workers and communities.

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Conversation

FOLLOW

SIGN OUT

RR

Join the conversation, Reg Rumney

Commenting is subject to our [house rules](#).

MA

marian 1 HR AGO

Sorry to disappoint . It is all pie in the sky. If SA does not sort out problems with the current infrastructure the new one will not save us and will be destroyed in no time by the same factors.

REPLY  3  0

PW

pwgg 5 HRS AGO

The only rapid action in SA is the trough emptying, nothing else happens rapidly.

REPLY 2 REPLIES  5  0

MX

Marcan X 2 HRS AGO

Reply to **pwgg**

I guess you mean emptying is : looting, stealing, corruption and fraud. And gross overtaxation because of massive inefficiencies, clueless money wasting.

REPLY 1 REPLY  1  0

PW

pwgg 57 MIN AGO

Reply to **Marcan X**

Bingo you got it.

REPLY  0  0

RR

Add your reply

RJ

Rasmus Jensen 5 HRS AGO

Hearing Gwede spinning semantics to try and get the money without providing the commitment is classic ANC

REPLY  4  0

AR

Andrea Robertson 7 HRS AGO

I find it the height of madness to give money to the criminal anc Regime given their track record with theft. I can hear the cadre drooling from here. No. The funders should each appoint a project team who are allocated different projects, and are paid directly, with no money actually paid to the regime.

I would also love to know how all those fantasy electric cars are to be charged in a country without electricity for half a day at a time, and where everything not nailed down and concreted over, is stolen. I mean whole train stations have been stolen. This will not end well.

REPLY 1 REPLY  7  0

GU

gummibear 3 HRS AGOReply to **Andrea Robertson**

I'm quite sure that the international community is well aware that a criminal syndicate "runs" the country and that little to no money will be made available in practice. The criminal syndicate will, however, view the perceived offer of "free money" as a target and keep waffling on about what they intend doing in an effort to try and con the international community into believing that all is well and that all the cash will be spent on "renewables" (not houses in Sandton and Bantry Bay, and Beemers). Just another "smoke and mirrors" exercise.

REPLY  2  0

RR

Add your reply

TA

Thinker and Doer 8 HRS AGO

Government must not squander this critical opportunity to really move forward on the JET plan with substantial international backing. Minister Mantashe must be removed as an obstacle to progress, and government must immediately get implementing as urgently possible.

Unfortunately, it seems quite possible that the flailing about and indecision that has plagued action for the past years will just continue.

REPLY  3  0