

## Coal SJRP update

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# Introduction & NEVA Recap

- ▶ SA's coal VC is central to economy and energy system, but highly exposed to policy, technology and market shifts
- ▶ Coal VC includes coal mining, downstream use in electricity generation and petrochemicals, and exports.
- ▶ Coal mining employed about 100 000 workers in 2024, with a large majority located in Mpumalanga. Eskom's coal linked workforce was over 12 000; and Sasol's coal linked operations employed around 13 000 people.
- ▶ Four Mpumalanga municipalities – eMalahleni, Steve Tshwete, Govan Mbeki and Msukaligwa – are identified as highly coal oriented. Metsimaholo is also included due to growing pressure on Sasol and the linkages between Secunda and Sasolburg.

# Introduction & NEVA Recap

- ▶ Geographic concentration risks the extension of transition shocks beyond direct job losses to local supplier networks, small businesses and municipal revenue bases.
- ▶ NEVA identifies two risk windows for SE impacts :
  - (i) 2030–2036, linked to coal capacity retirement timelines and Minimum Emission Standards deadlines; and
  - (ii) 2037–2045, linked to deeper structural decline, including declining domestic demand and export pressures.

# Vulnerable groups

- ▶ Based on the NEVA, the following vulnerable groups are identified:
  - **Workers in mining, coal fired electricity and coal based petrochemicals:** workers are relatively well paid, but this creates a risk under transition because earnings are high relative to formal qualifications.
  - **Women in the coal value chain:** women comprise around 20% of coal value chain employment (compared with about 45% economy wide) and the median wage for men in coal mining exceeds women by about R3 000 a month.
  - **Local supplier base/small businesses in coal towns:** Small businesses that supply the coal value chain (and its employees) as the main groups vulnerable to the long run transition away from coal.
  - **Households and communities (including non workers):** despite relatively high value added in coal municipalities, poverty rates in the coal dependent Mpumalanga municipalities are higher than the national norm, reflecting deep inequality typical of mining linked economies.

# Vulnerable groups

- These vulnerability patterns reinforce the need for a just transition package that focuses on (i) worker-centred support including profiling, ALMPs, and income-smoothing and (ii) regional support including economic diversification, municipal readiness and service-delivery resilience

# Pillars for support

- ▶ The Coal SJRP organises its response under five strategic pillars that operate as an integrated package to coordinate delivery, reduce avoidable shocks, and support worker and regional adjustment.
- ▶ **Pillar 1:** Governance and implementation capacity.
- ▶ **Pillar 2:** Mitigating climate policy impacts and stabilising employment.
- ▶ **Pillar 3:** Economic diversification.
- ▶ **Pillar 4:** Active labour market policies (ALMPs)
- ▶ **Pillar 5:** Social protection and income support

# Pillar 1: Governance and implementation

**Focus:** establishing implementation backbone that can coordinate across spheres of government and social partners; translate plans into funded programmes; track milestones and risks over time; and ensure delivery capacity in priority coal regions.

**Gap:** Despite progress (e.g. CC Act, JET-IP, PCC) the coal transition still lacks an accountable implementation vehicle with the authority and capacity to drive implementation in coal regions

**Proposal:** Establish a multi-tier Coal SJRP implementation governance structure that is aligned to existing statutory climate-governance arrangements but explicitly focused on delivery and coal-region readiness.

# Pillar 1: Governance and implementation

## Key stakeholders:

- ▶ National oversight/coordination: The Presidency (JET PMU), DFFE, DEE, DMPR, dtic, DEL, National Treasury, PCC
- ▶ Provincial/regional delivery: Mpumalanga Office of the Premier + relevant provincial departments; MGCA;
- ▶ Free State provincial counterparts (Metsimaholo)
- ▶ Local government: District + local municipalities; SALGA
- ▶ Asset owners/employers: Eskom, Sasol, coal mines + major contractors
- ▶ Social partners: organised labour, business chambers, community/civil society structures

# Pillar 1: Governance and implementation

## Implementation priorities:

- ▶ Secure a formal mandate and Terms of Reference; appoint and resource the PMU/secretariat; agree on a minimum readiness criteria dataset and reporting templates.
- ▶ Convene regional platforms; integrate SJRP priorities into IDP-linked planning cycles; publish a first consolidated pipeline register and challenge/blockage log.
- ▶ **Ongoing:** Quarterly reporting and escalation of blockages; iterative updating of readiness priorities as coal market, policy and investment timelines shift.

## Pillar 2: Mitigating climate policy impacts

**Focus:** reducing avoidable and sudden employment shocks that could be triggered or amplified by the sequencing of climate policy compliance, decommissioning decisions, and decarbonisation investments.

**Gap:** While market players (e.g. Eskom, Sasol) have made public commitments, there remain risks related to sequencing, socio-economic delivery, technology/finance uncertainty risk, and regulatory risk.

**Proposal:** establishment of a dedicated workstream within the overall coal SJRP implementation structure that focuses on decarbonisation and employment impacts to bridge national transition planning and regional employment outcomes.

# Pillar 2: Mitigating climate policy impacts

## Implementation priorities:

- ▶ Develop implementation principles and rules for decommissioning, repowering/repurposing and enabling investments
- ▶ Pipeline register covering priority mitigation and repowering/repurposing projects
- ▶ Employment-linked conditions e.g. workforce and supplier transition plans
- ▶ Regional integration and ensuring alignment with municipal planning cycles (IDPs and climate response implementation plans).
- ▶ Early warning signals or triggers that activate ALMPs and social support

# Pillar 2: Mitigating climate policy impacts

## Key stakeholders:

- ▶ Lead coordinators: Coal SJRP PMU/Task Team; DEE + DFFE; National Treasury; The Presidency (JET PMU)
- ▶ Key implementers: Eskom, Sasol, coal mines, municipalities
- ▶ Regulators/system actors (as relevant): NERSA; system/grid planning entities; permitting authorities
- ▶ Provincial delivery support: Mpumalanga Provincial Gov, MGCA
- ▶ Social partners: organised labour and organised business

# Pillar 3: Economic Diversification

**Focus:** Given the highly regionalised nature of the VC, economic diversification is a long term employment strategy

**Gap:** Municipal planning processes have indicated diversification intent but stated intents have not yet materialised into bankable projects and a sequenced pipeline of projects capable of absorbing workers and supporting local firms in anticipation of future decline in coal value chain activity

**Proposal:** The development of sequenced, costed and financed diversification packages for the priority coal municipalities (eMalahleni, Steve Tshwete, Msukaligwa, Govan Mbeki and Metsimaholo), aligned to the two NEVA risk windows and designed to enable employment transfer rather than only output substitution.

# Pillar 3: Economic Diversification

## Key stakeholders:

Local anchors: priority municipalities (LED/IDP units), district municipalities, SALGA

Provincial: Mpumalanga DEDT/Office of Premier; MGCA

Free State provincial actors for Metsimaholo

National economic agencies: dtic, DSBD (SEDA/SEFA), National Treasury

Finance/project prep: DBSA, IDC, other DFIs/funders

Private sector: investors, OEMs, offtakers, local business forums, SMMEs/co-opsSector departments (depending on pipeline): DWS, DALRRD, DOT/DoT, etc.

# Pillar 3: Economic Diversification

## Implementation priorities:

- ▶ Projects should include costings, funding strategy, land/infrastructure needs, and implementation owners.
- ▶ Alignment with local planning processes.
- ▶ Specification of target beneficiary groups, such as vulnerable workers, small businesses and communities.
- ▶ Employment outcomes should also be specified
- ▶ Unblock regulatory/infrastructure constraints,
- ▶ Ensure the diversification pipeline is continuous, iterative planning process aligned to IDP cycles.

## Pillar 4: Active labour market policies (ALMPs)

**Focus:** support for displaced/at-risk workers to remain in employment through (e.g. early-warning systems, worker profiling, career counselling, job-search support)

**Gaps:** Some mine-level transition instruments are already embedded within the SLP framework, but not consolidated into a single transition system across the coal value chain

**Proposal:** Establish a Coal Workforce Transition Support (ALMPs) workstream within the implementing structure

# Pillar 4: Active labour market policies (ALMPs)

## Implementation priorities:

- ▶ Establish data governance and a consolidated workforce profile aligned to NEVA risk windows.
- ▶ Commission a skills-and-needs diagnostic (MQA/NSF funding route as per original SJRP).
- ▶ Design segmented pathways (transferable/reskillable/hard-to-place) linked to realistic project pipelines and labour demand.
- ▶ Pilot integrated counselling, job-search support, training referral and placement support in coal hot spots, then scale through the risk windows.

# Pillar 4: Active labour market policies (ALMPs)

## **Key stakeholders:**

DEL (incl. UIF), DHET/SETAs/NSF and MQA, DMPR (SLPs), DFFE, National Treasury, provincial/local government, Eskom/Sasol, mines/contractors, organised labour, municipal employment services.

# Pillar 5: Social Support

**Focus:** Social support can provide impacted workers with resources to participate in counselling, reskilling, job search, redeployment and (where necessary) relocation, reducing the chances of permanent exits from employment

**Gaps:** A lack of triggers/early-warning integration, administrative readiness and coordination, coverage beyond the core formal workforce and embedded regional protection

**Proposal:** Establish a social support workstream within the Coal SJRP implementation structure linked operationally to the ALMP service model and diversification pipeline.

# Pillar 5: Social Support

## Implementation priorities:

- ▶ Establish data governance and a consolidated workforce profile aligned to NEVA risk windows.
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- ▶ Design segmented pathways (transferable/reskillable/hard-to-place) linked to realistic project pipelines and labour demand.
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# Pillar 5: Social Support

## **Key stakeholders:**

DEL (UIF + labour centres), National Treasury, DSD/SASSA, COGTA + affected municipalities/districts, organised labour, major coal value-chain employers/asset owners.

# Conclusion

- ▶ Coal SJRP proposes an integrated set of policy interventions
- ▶ These pillars are not mutually exclusive and a policy package would require a combination of support approaches.
- ▶ A dedicated implementation structure drives implementation
- ▶ Diversification expands the demand-side opportunities that ALMPs can realistically place workers into, while social support stabilises households and enables participation in retraining, job search.

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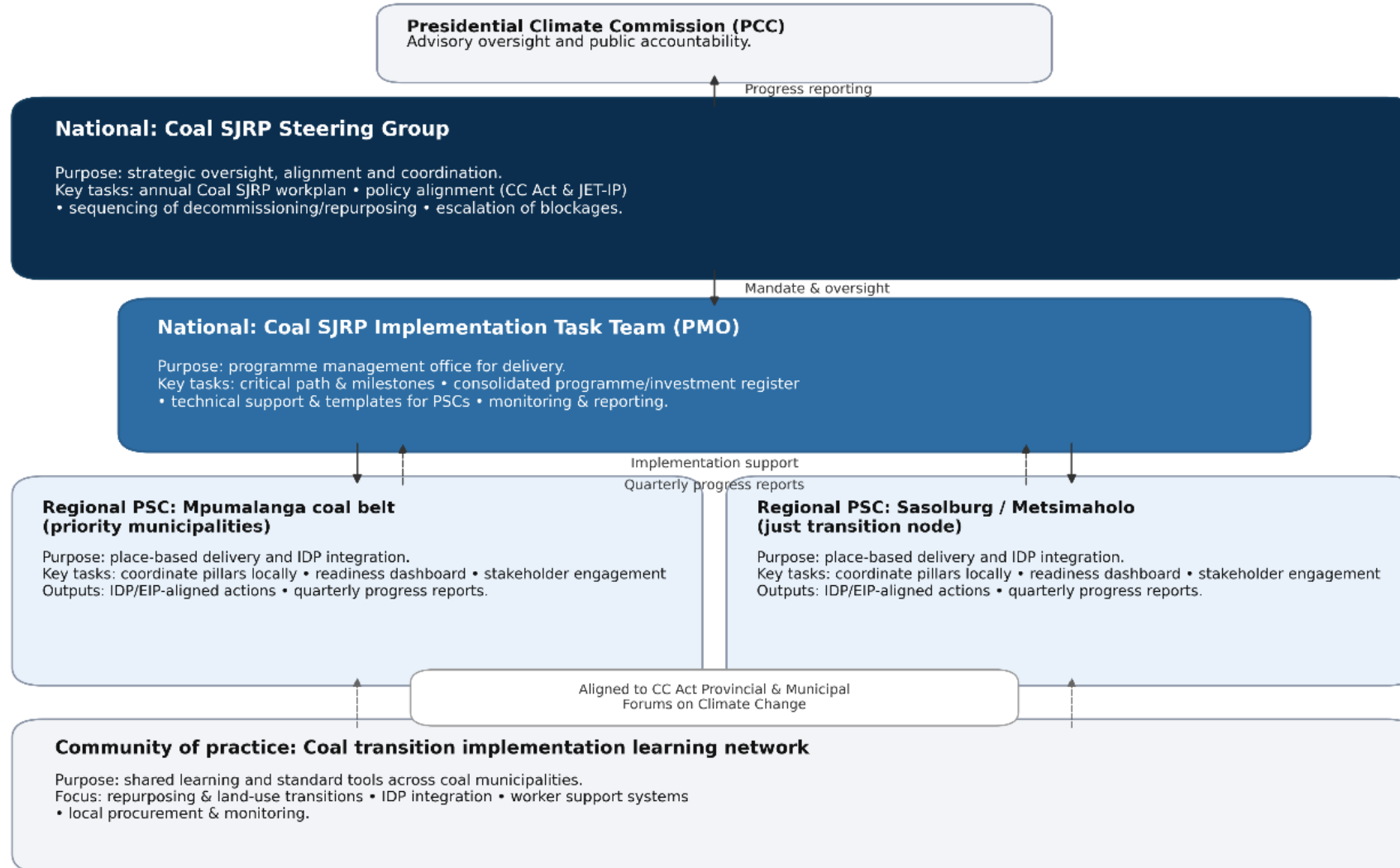
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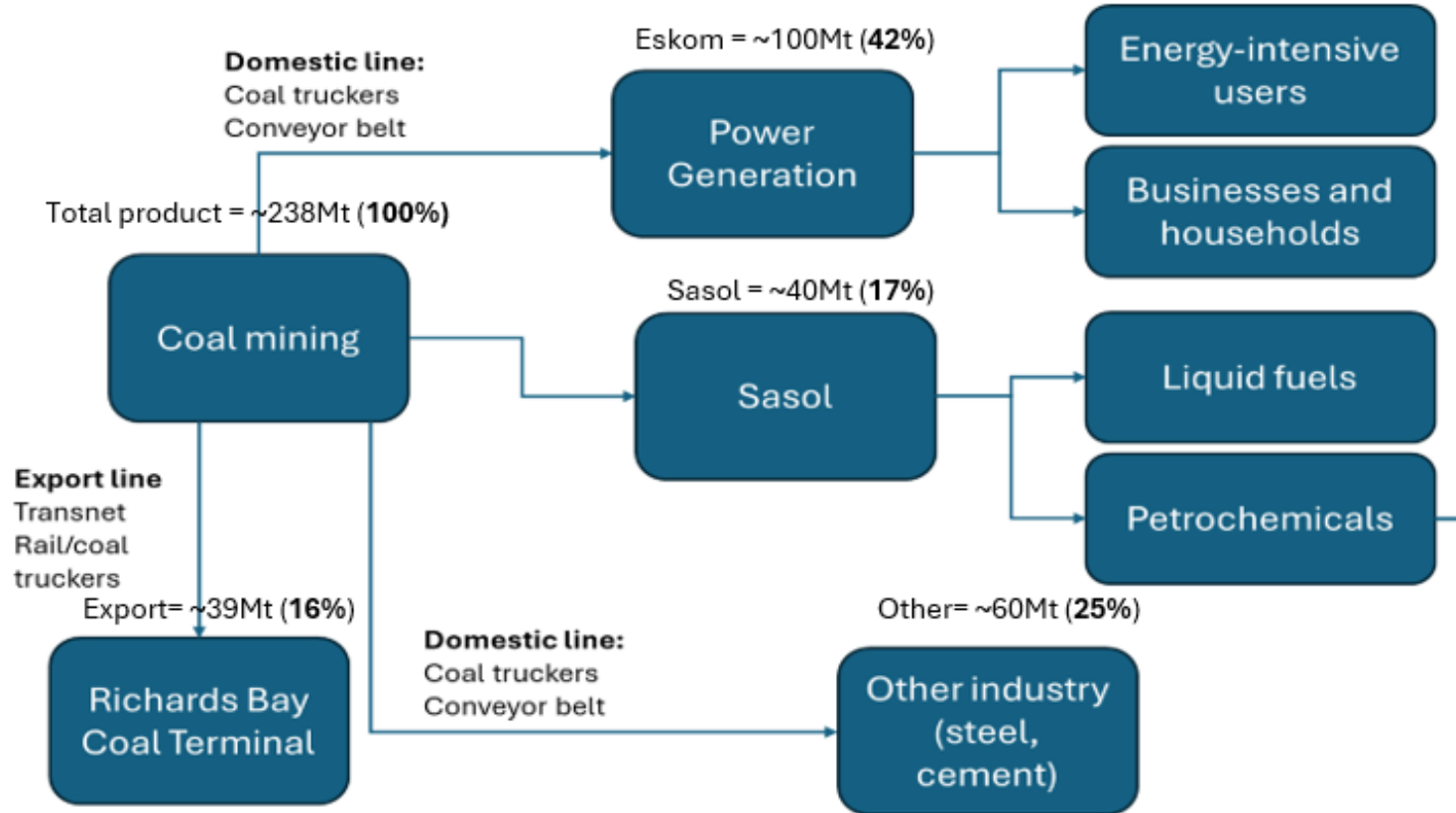


# Pillar 1: Governance and implementation



# Value Chain

Graph 1. The coal value chain



Source: Author, based on (Eskom, 2024a; Quantec, 2025b; Sasol, 2025a)

Notes: 1. Customer splits are based on coal volumes. 2. Coal flow volumes were derived by reconciling national coal sales data (Quantec, 2025b), with consumption figures from Eskom and Sasol's integrated reports. Once Eskom and Sasol's coal use were accounted for, the balance of ~60 Mt was calculated as the residual of total domestic sales, representing other industrial users.