



National Development Plan: Pathways for a Just Transition

Mpumalanga Stakeholder Dialogue Meeting

13 February 2019

Nkangala District Municipality,

2A Walter Sisulu Street, Middleburg

REPORT

Purpose of this report

This report provides a summary of the inputs and discussions that took place at the Mpumalanga Provincial workshop on the 13 February 2019. This workshop was part of a series of provincial workshops that the National Planning Commission is undertaking in engaging with key stakeholders across the country. The aim of these dialogues is to build a consensus on a vision and pathways for a Just Transition to a low carbon, climate resilient economy and society in South Africa.

Welcome

Peta Wolpe (Sustainable Energy Africa), one of the service providers appointed by the National Planning Commission (NPC), warmly welcomed participants to the workshop and thanked them for making time to attend this important stakeholder dialogue process on pathways for a Just Transition.

She acknowledged that there was a good cross-section of relevant stakeholders in the room: representatives from government, business, civil society, experts, community activists and labour sectors. The purpose of the discussions in each province and other bilateral meetings with constituencies are not standalone but build on from each. The outcomes from all the conversations will be consolidated and presented in the form of a Vision and Pathways document.

Opening

Commissioner Tasneem Essop from the National Planning Commission (NPC) who is leading this process also thanked participants for their attendance and the opportunity for the NPC to engage with all stakeholders. She particularly thanked the community activists for speaking openly and the Nkangala District Municipality for inviting us to the Mpumalanga Mitigation Strategy Development workshop both convened the day before and both illustrating the crucial and unique challenges that are experienced in the area.

Mpumalanga is regarded as an extremely important province in the discussion towards a low-carbon economy and society, this is due to the fact it has the largest number of coal fields and power stations situated within the province.





Overview of the *Pathways for a Just Transition* process

National Development Plan Chapter 5: the framework

Chapter 5 of the NDP seeks to provide high-level guidance to ensure that by 2030 South Africa is an environmentally sustainable society, with an expanded low-carbon economy and reduced emissions, while at the same time reducing poverty, inequality and unemployment. The benefits of building resilience are evident in the strides towards a flourishing and prosperous nation by 2030. Chapter 5 provides a set of guiding principles, which demand that the transition be just, ethical, sustainable and transformative, while taking a strategic, regional and ecosystems approach during a managed transition.

One of these principles deals with the need to move towards full cost accounting. An example of full cost accounting is to internalise the health costs of coal-fired power stations. At the moment these health costs are borne by the state and society, not by the entities causing the damage. This full cost accounting method was however never implemented. The Commissioner asked that the audience consider if this and the other guiding principles are still valid. Chapter 5 of the plan includes an end-state by 2030, in terms of climate change and sustainability. However, for the purposes of this *Just Transition* project, a 2050 time-frame is used, to align with key climate milestones. Assessment needs to be made on whether the end-state captured in Chapter 5 is still relevant today.

Pathways for a Just Transition: the project and process

Following the development of Chapter 5, the NPC is now undertaking the next phase (phase 2) which aims to ensure implementation of the chapter. Initially, this year-long initiative sought to bring together a group of social partners and experts to engage in a series of high-level dialogues in order to determine the best 'Pathway for a Just Transition' by dealing with some of the outstanding contested issues identified by stakeholders, such as where trade-off lie and who the losers might be. The intention was that this process would run in parallel to a series of engagements with stakeholders from a wider range of sectors, namely civil society, labour, business and government. The aim of both the focused and wider engagements is to build a collective vision of an end state by 2050 and to provide guidance for the development of pathways that will ensure that the transition to this end state is a fair and equitable one.

However, at the first social partner dialogue, the social partners called for a bottom-up approach, engaging with communities in a much stronger way, rather than focusing on high-level dialogues. Therefore, the form of these engagements has shifted to open-invitation stakeholder workshops in every province with labour, civil society, communities, government and business. Constituencies can also request engagements with the NPC on the *Just Transition*. While the approach for a Just Transition is economy-wide in scope, it was agreed at the first Social Partner dialogue that we should focus on three primary sectors: energy, land-use and water. Thus far, three workshops have been held, one in the Western Cape, Gauteng and the Northern Cape. This is the fourth provincial stakeholder engagement process and the purpose is to understand where we want to be in 2050 and determine how we are going to get there. The remainder of the provinces will be engaged with during the first quarter of 2019. The intention is for these engagements to build on each other in an iterative manner; finally culminating in a Concluding Conference, which will lay the foundation for a high-level Summit later in 2019, which may lay the basis for a social compact. The point of a social compact is to put a certain degree of control within the hands of the people to promote a transition that is just. In addition to presenting results to government, the development of a social compact could be driven through NEDLAC.

The team is building a database of workshop attendees who will be kept abreast of the outcomes of all the workshops and the process.



Figure 1: 'Pathways for a Just Transition' process flow chart

The NPC is currently in the process of reviewing the NDP with a view to deepening and updating sections of the Plan. Chapter 5 for example requires updating because much has changed in this space since 2012, for example the energy space in the country has changed substantially since it was first drafted. Renewable energy (wind and particularly solar) is now significantly cheaper than coal. This dialogue process will feed into the NDP review.

The Commissioner referred to the latest IPCC¹ Special Report on Global Warming of 1.5°C, which indicates that there are only about 12 years left (2030) to limit temperatures below 1.5°C. This implies far-reaching changes to our economies and societies. Climate change is happening at an unprecedented rate. This provides impetus for these discussions, as we need to reduce carbon emissions urgently through a swift transition.

Responding to climate change is an opportunity to address inequality; climate change will impact the vulnerable poor disproportionately. Therefore it is critical that, as a country, resilience is built by addressing poverty and inequality. Furthermore, the Commissioner noted that those who are least responsible for environmental disasters and unsustainable practices bear a disproportionate burden of climate impacts and environmental degradation.

The 'Just Transition' topic is being discussed both locally and globally. There are many scenarios of what the future will look like in terms of energy and employment, especially in light of the fourth industrial revolution which is also happening in parallel, and which could potentially leave many people unemployed throughout the world. The discussion is thus about how to make this transition just for the most vulnerable.

What is a 'Just Transition'?

'Just Transition' is a framework that has been 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.

It has been broadened beyond a focus on protecting the rights of the working class only but also encompasses wider society, especially the most vulnerable.

The Commissioner concluded by inviting the difficult discussions to be had during this process in order to reach a consensus on which pathways to a just energy transition.

The key challenges and opportunities of a Just Transition for Mpumalanga (breakaway groups)

Participants were seated around tables of 10 and asked to discuss the opportunities and challenges of a Just Transition in small groups at their tables. The intention being that they would focus on Mpumalanga, their experiences and concerns. Participants were asked to focus on local influences rather than the national. It was explained that

Feedback from groups on challenges

Each group was asked to feedback on 3 key challenges. The consolidated challenges are listed below:

- **Land-use and the poor implementation of standards leads to health hazards** – Due to mining and the high concentration of coal-fired power stations, the air quality in the province, especially around Nkangala District is the lowest in the world. This is significantly impacting the health of people living here which further affects their ability to be part of the workforce. Many people do not pass the health test that might enable them to obtain mining jobs.

¹ Intergovernmental Panel on Climate Change

- **Mpumalanga's economy is currently not very diversified** – there is a focus on mining and energy but this leaves the province susceptible to commodity fluctuations. Diversification should include the stimulation of the green economy and green jobs.
- **Land-use changes requires collaboration and not competition** - We need to address the fact that we all work in silos despite many opportunities to work together. Commercial forestry has the potential to sequester carbon and produce highly valued products however, there is no land available for commercial forestry due to mining taking preference in the province.
- **Funding constraints** - Transition to a low carbon lifestyle is expensive and it is unrealistic to think that a Just Transition can happen without strong support and subsidies.
- **Working in silos** - We need to address the fact that all sectors continue to work separately despite many opportunities to work together.
- **Lack of planning and implementation** – The country does not have a clear plan for phasing out coal so adaptive measures such as reskilling and mitigation opportunities cannot be planned adequately and appropriately resulting in high unemployment in the region.
- **Coal still dominates** - Although South Africa has international emissions commitments and local targets, coal mining continues to grow in the province.
- **Misalignment of policies** – Policies for water, minerals and mining, and the environment do not align and hence there are conflicting directives leading to poor implementation. Mining is undermining plans to protect the environment and indigenous flora that are unique to the province.
- **Poor community consultation and lack of transparency** – Communities are not sufficiently engaged with in decision-making processes. Information is inaccessible resulting in communities not being able to make informed decisions. There is a lot of misinformation on job losses and mining impacts. Information should be publically available and easily accessible.
- **Energy poverty is not a priority** - The current energy model focuses on the Province being a generator of energy for the country, particularly big business but not its people especially those in Mpumalanga – household energy access in the Province is low despite households being located close to power plants where electricity is generated.
- **Lack of education and training** – there are no programs to reskill coal industry workers. Furthermore, school learners are not being trained with skills for jobs of the future.

Feedback from groups on opportunities

- **Land rehabilitation for agriculture** - There are numerous abandoned mines which are health hazards but which could be rehabilitated for other beneficial uses such as agriculture. There should be improvements in enforcement of rehabilitation.
- **Renewable energy** – land should be used for solar and wind farms which are cheaper and coal-based power and is clean. Furthermore projections show that more jobs are created per unit of energy than when compared to coal power.
- **Food security**– the agricultural sector should be supported in the energy transition as part of sustainable development and seen as a climate adaptation measure. This sector has the potential to absorb job losses from the coal sector and also ensure that the country is food secure.
- **Youth are drivers of change** - 63% of the population in the province is under 15 years old and we need to educate and empower them so that they can also fight for their rights to have a 'climate normal' future. We need to look at international examples where people (particularly youth) have taken government and big government to court for loss of forests etc. It is also

critical that the youth gain training and skills that is relevant for a future job market and empower them to be entrepreneurs instead of job seekers

- **Government planning and demonstration sites** - Pilot projects that include renewable energy can act at powerful sites to demonstrate sustainable habitats. An opportunity lies in including sustainable human settlements (eco-villages) and urban planning projects in municipal Integrated Development Plans (IDPs) on the basis of service delivery that meets social and economic needs to address the issue of inequality, poverty and unemployment.
- **Boosting the agricultural and manufacturing sectors** – A Just Transition provides the opportunity for job creation in several sectors. In Mpumalanga, jobs can be absorbed by boosting the agricultural and agri-processing sectors. The province is an important provider of fruit, vegetables, meat and staples for the country but there is potential to increase outputs with support from government and by using climate-smart agricultural methods. In addition, if processing of food products is located within the province, many jobs could be further created.

Conclusion

A clear picture of the challenges and opportunities were given by the participants and despite coming from a wide and diverse range of sectors, constituents and organisations there was consensus and overlaps in the key issues. The major challenges were around air pollution, health, unemployment and access to energy whilst opportunities were identified such as turning disused mines into solar parks and reskilling and education and the development of communication programmes.

Update of the Mpumalanga Climate Mitigation Strategy Development

Duduzile Sibiyi from Mpumalanga Provincial Government provided a short summary of the Provincial Mitigation Strategy workshop that took place the day before. An analysis of the status quo revealed that waste management and air quality challenges should be high priorities for Mpumalanga which the Strategy must address. Duduzile provided an update of the initiatives going forward to finalise the Mpumalanga Climate Mitigation Strategy.

Developing a Vision for 2050: The Possible Pathways to Reach the End State

PRESENTATION 1: CSIR Nkangala District Municipality Economic Baseline Profile

Ruan Fourie, an energy economist from the Energy Centre at the Centre for Science and Industrial Research (CSIR) presented findings from recent research on the impact of the energy transition, based on the draft Integrated Resource Plan (IRP) 2018 on the Nkangala District Municipal area. This is where the majority of electricity for the country is produced. Using a scenario where there is little or no investment in coal up to the year 2050, the projections show that there will be a decrease of 12 600MW of coal-based energy due to power stations reaching their end life. By 2050 only two coal fired plants will exist as no new plants will be built due to them not being cost competitive. Of the seven coal power stations in Nkangala, four will be decommissioned by 2030, with the first starting in 2021. Hence **this region will undergo a dramatic change in its economy, employment and population.**

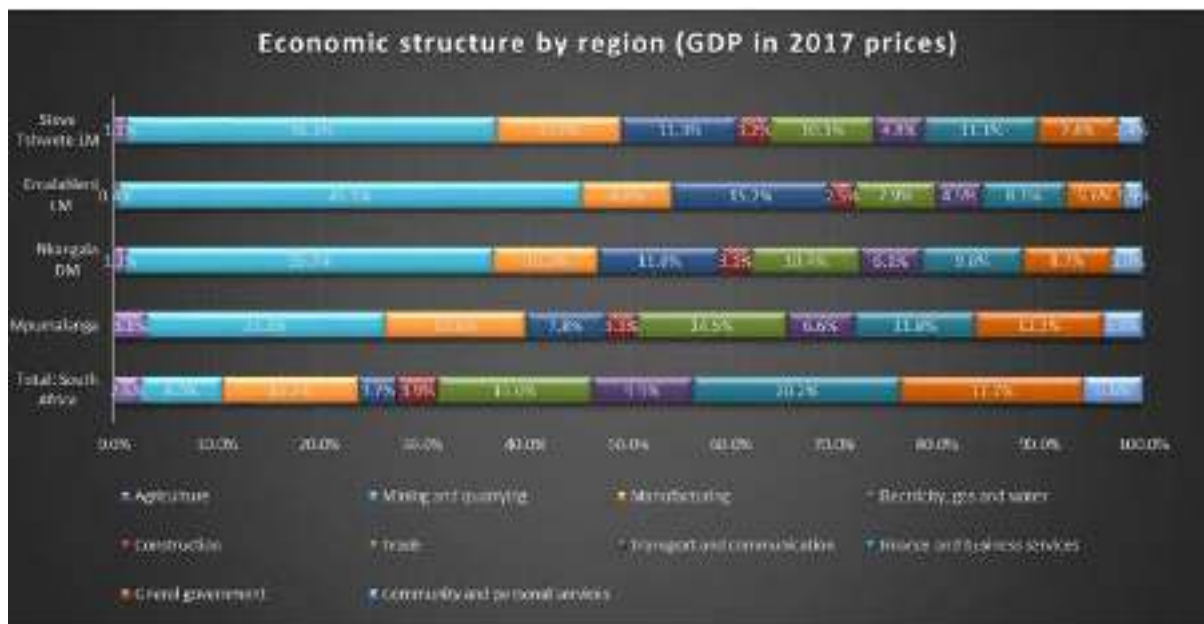


Figure 2: 'Economic structure by region

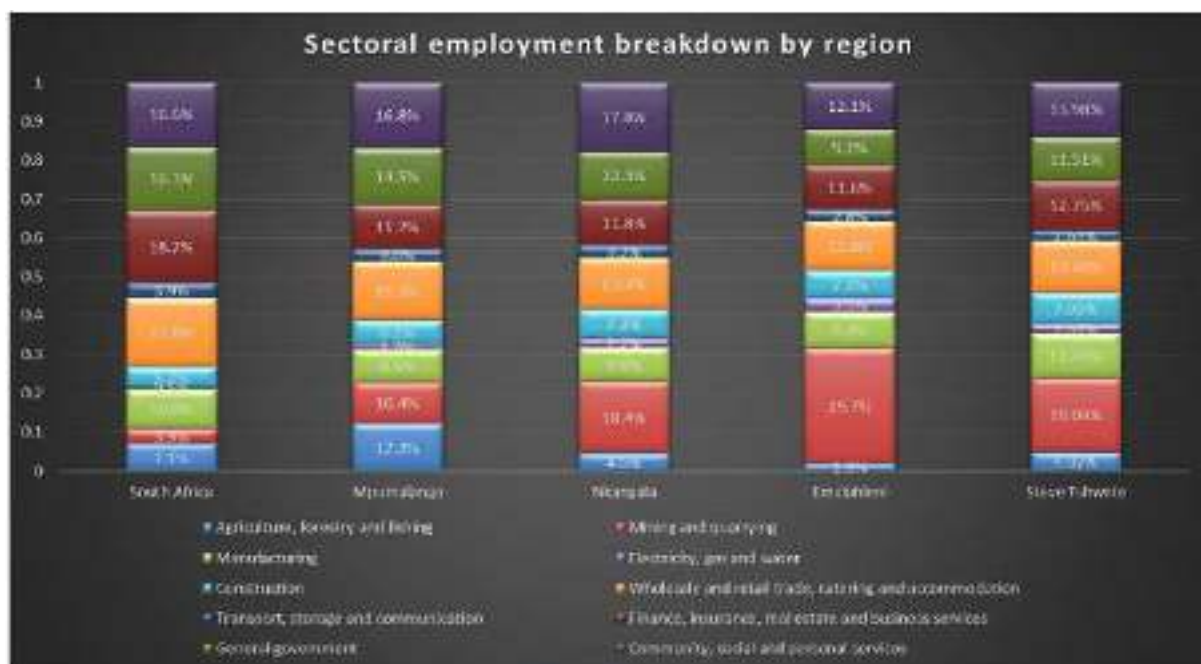


Figure 3: sectoral employment by region

The above graph shows the economic structure in the District. All mining and quarrying make up 35% of the economy in Nkangala, while the average for the country is 8%. Therefore this region will experience the energy transition through economic restructuring and population shifts more intensely than other parts of the country. Despite the District being a labour hub and having a high youth population unemployment rates are high (40%). Neighbouring Steve Tshwete and Emalahleni Districts mirror the same unemployment challenges.

It is predicted that within the next 10-15 years the district will see huge economic changes and it is therefore important to understand how and when these job losses can be expected and to begin planning accordingly now. There will be cascading effects of this on the population, on employment, and on the economy. Local and international case studies on economic transitions will be important in helping planning a positive way forward. Ruan provided the example of Matjhabeng Municipality which went through a similar shift when gold mining in the area declined and thousands of jobs were shed because of poor planning and in fact the evidence shows that most job losses took place in the years preceding the actual closure of mines.

PRESENTATION 2: Vision 2050: Mapping Pathways for South Africa's Transition – Through the Water, Land-use and Energy Lens

Belynda Petrie from OneWorld, presented what has been consolidated and updated from previous workshops and engagements thus far as a backdrop to the breakout sessions later on in the day. Using this information, we want to determine the end state or vision by 2050, and how we want to achieve this vision. Belynda highlighted that it is important to look at what South Africa has done well and how we can use those strengths to move forward. The outcomes from these workshops will be consolidated into a vision document tentatively entitled '*Toward a Transparent Just Transition*' which will be the basis of a social compact and feed into the revised NDP Chapter 5.

While there are global discussions such as the IPCC on climate change, it is important to note that the **transition has already commenced** and we need to plan for it urgently both in terms of the climate change (adaptation and mitigation) and development. The latter is underpinning NPC pathways discussion and what it means for a Just Transition within the South African context.

In the first dialogue with the 'High Level Social Partners', we approached these dialogues by thinking towards a future vision that is framed by current realities, acknowledging that while we need to manage the negative impacts of the transition, that there will be winners and losers and that sacrifices will have to be made along the way. We need to extract the positives from this process and build on it, while at the same time minimise the negative impacts.

"We have to be inconvenienced at some point to have a sustainable future" Youth representative, Wits School of Governance Round Table, 4 October 2018

A snapshot of the vision for 2050 from previous workshops was presented:

- We need a change in primary energy demand that moves away from coal to low-carbon and renewable energy fuels. Local factors which are driving this change in South Africa are big companies like Anglo American which are divesting from coal due to changes in the global and local market
- South Africa's residents are adequately skilled to responsibly own and manage our land-use, water and energy systems
- The value our society places on inclusive, integrated, climate-smart systems take over from intense consumerism
- Our communities are shock-resilient. Compact urban and spatial planning enables deep inclusion and drives our carbon neutral economy. Decentralised resource and energy management are the central enablers
- The value we place on our inclusive, climate integrated systems, is visible. We have moved beyond a preservation paradigm to highly valued ecosystem services that tangibly improve livelihoods and the economy

- Employment is inclusive and jobs are decent. Women and the youth participate and our SME sector is vibrant and relevant
- Large-scale inequality has been radically reshaped. The disparities in access to health and education are small and our society is economically independent
- Poverty levels are the lowest in recorded history –reflecting an inclusive, equal society

Energy democracy has paved the way for people-centred land and water systems



This vision is achieved through good governance and coordination of all social partners. It is premised on youth empowerment, public empowerment, skills development, transparency, open source climate data, holistic land-use management, equitable land ownership and access to decent housing in urban areas, inclusive and decentralised energy systems and responsible water consumption. There is also growing agreement that energy democracy will pave the way for people-centered land and water systems.

Potential pathways toward 2050 were shown that demonstrate a series of storylines that re developed as hypothetical pathways that could help us reach our shared vision.

Comments from the participants

1. The discussion must not exclude the Lowveld region of the province which is a key agricultural area for the country and which will be affected by climate variability and thus job losses too.
2. Communities need to be better involved and opportunities need to be made available to them such that they can make a meaningful contribution to the transition as well.
3. The transition to zero waste could have learnings that the energy transition can benefit from.
4. There is a fundamental flaw in the energy system as it is based on a model to drive economic growth rather than for the development of people.

5. Statements about decentralising energy to local municipalities is unrealistic as they have no capacity and resources. Perhaps another way to frame it is to ask how to build community resilience despite government's ineffectiveness?
6. Climate change is not a stand-alone event but includes all of the social and economic drivers related to the water, energy and the food nexus. We should be looking at opportunities that could come from this nexus.

The session was closed highlighting that the transition will be complex and that we need to be realistic acknowledging that there are economic and socio-economic pressures. We need to weigh the long-term costs and benefits as a society and determine the way forward with mitigation steps to minimise the losses. We need to work together in a constructive way and remain positive.

Breakaway groups: Developing A Vision 2050 With Reference To Land-Use, Water and Energy

Group: Land – use

Vision

The vision was for the restoration of land so that it can be used efficiently with long term benefits concentrated on. There are also opportunities for agriculture and renewable energy which can aid the local economy and empower communities.

Opportunities

- **Efficiency in land-use** - Whatever opportunities there are for land, it should be done so properly so that land is used efficiently. For instance land more suitable for forestry should not be allocated to residential developers. Clarity also needs to be given around who has particular roles for land – political spheres confuse the system as confusion arises between land owners and the promises given by government
- **Land should be used sustainably** – Land-use for short term gains may lead to long term challenges – clear example is mining. Rather, land can be used sustainably which has much greater long term payoffs, although the immediate value may be lower.
- **Opportunities for rehabilitating land** – Polluted land can be rejuvenated and rehabilitated which would allow it to be reusable – allowing unproductive land to become productive. For instance turning an abandoned mine into a solar farm or livestock farm.
- **Alternate housing** – High rise densification is an option for housing as it allows greater concentration of people on a smaller amount of land, leaving more land available for utilisation such as agriculture.
- **Prioritising the preservation of soil** – Soil needs to be preserved. Much of the land in Mpumalanga is under prospecting and mining rights – but mining destroys topsoil which cannot be remade.
- **Opportunities for the youth** – Land can and needs to be protected and restored now so that it becomes productive for the youth. This is one way for the youth to develop and benefit from land.

What are the immediate actions that are needed for a just and sustainable transition?

- **Disconnect between policy and plans** – Address the current disconnect between policy and plans. For instance we have international policies based on reducing carbon emissions and yet locally we have more plans for coal mining – this is a clear disconnect.

- **Disconnect between policies** – Policies also currently clash between themselves. For instance DMR has policies for extra coal mining but then the environmental department has policies for less mining, this need to be sorted out as soon as possible so departments “sing off the same sheet”.
- **Education** – communities need to be educated and brought into the climate change discussion. Also, communities and in particular the youth need to be educated about how to use land effectively and learn how to grow food for themselves and for the economy. There could be an introduction of agriculture into the schools as either a subject or extra murals so that interest can be built up in land preservation and agriculture which may help grow the youth.
- **Accountability and enforcement** – there is no accountability of regulators who don’t regulate land-use (i.e. grant rights to mines who break the law or grant rights on land that is protected) and there is very little enforcement of current regulations that mines get away with pretty much everything.
- **Local knowledge is important** – local knowledge should be tapped into with regard to land-use – often indigenous and traditional leaders know how best to use the land but are ignored by decision makers (like government employees who decide how certain land should be used). This local knowledge can be considered a synopsis of community thinking, thus understanding this local knowledge it will have the greatest benefits to the local communities.
- **Mind shift** – Currently agriculture is not thought well of in comparison to mining. In essence people, especially youth in communities see miners and they all have more money and flashy clothes whilst farmers are seen as poor. There needs to be a mind shift so that people realise that agriculture is also a good working profession. Agriculture doesn’t only have to be seen of only in terms of being a farm worker on a large farm – there are many successful small farmers who feed into the economy.

Group 2: Water

Vision

To have sufficient amounts of clean water for the province and the rest of the country that is used in a sustainable and equitable way through technological solutions such as decentralised water harvesting and water purification and recycling. Additionally, water should be preserved for ecological purposes.

What are the pathways to achieving that vision?

- **Good governance and accountability** – Government needs to enforce the numerous water acts and bylaws. For instance there is no enforcement of water treatment and disposal. Closure plans need to include rehabilitation. Public wastewater treatment facilities should also adhere to blue drop green drop standards to prevent biological contamination of rivers. The Catchment Management Act and company Social and Labour Plans need to be clear, transparent and be enforced. Civil society needs to hold government accountable.
- **Devolution of water management to local government** – small municipalities in the province need to be capacitated and empowered to manage water resources, water supply as well as demand side management to better control water in their areas. Coordination

between national, provincial and local government is imperative for successful implementation.

- **Holistic approaches are required** - water cannot be looked at in isolation but should be integrated with land-use, energy in an equitable way that drives social change. Therefore government departments need to align their goals, collaborate and coordinate in a much stronger way.
- **Community protection of water assets** – communities should be made aware of the important part of water preservation such that they also play a strong role in protecting streams, wetlands etc. Each community should become custodians of local water assets and can participate in an ‘adopt a stream’ programme.
- **Technological solutions offer solutions to the water crisis**– There are several opportunities to use sustainable technologies e.g. industrial effluents should be treated and recycled on-site using renewable energy powered technologies. Wastewater treatment plants should utilise biogas digesters to treat water while producing clean biogas for use within its own operations. Agriculture can irrigate through smart climate friendly methods.
- **Conflicting mandates in government** – The Department of Mineral Resources (DMR) has a mandate to promote mineral extraction but it is also responsible for preserving the environment which is a clear conflict. Should the mandate for the protection of the environment be given to another department such as DEA or DWA? Government departments need to also hold each other accountable and work together.
- **Data** – there is a lack of data of water quality as well as air quality and water flow. The number of monitoring stations have dwindled in the last decade due to mismanagement of funds. Monitoring stations need to be re-erected and the data analysed in order for water to be monitored and managed sufficiently.
- **Partnerships** – water is a national asset that is critical for our survival, drives the economy, impacts our health and is important for food security. Therefore all stakeholders need to work together to ensure that water is protected and consumed sustainably and equitably. Projects need to be co-created between different government departments, spheres of government and include business and the public at large.

Group: Energy

Vision

To adopt a renewable energy future that addresses poverty, unemployment and equality through the development of community-owned systems that are inclusive and support improved employment, mobility and health.

Opportunities

- **Alternate energy sources** -Mpumalanga is the source of most of the country’s sugar. The sugar processing byproduct can be used as an alternate, and clean, source of energy. Mpumalanga has the resource and processing facilities and could lead production of this renewable energy.
- **Infrastructure ready** -Mpumalanga should make use of solar energy through large and small-scale distributed energy systems. Solar radiation in Mpumalanga is approximately 10% less than others areas of the country such as the Northern Cape, but it is still high. Further the transmission infrastructure is already in place so less funding is needed to connect solar farms.
- **Energy diversification** - Mpumalanga should make use of natural gas in the interim to balance the variability from renewable energy. There is a gas line from Mozambique to South Africa

though Mpumalanga which could be tapped into. However, it is important to note that there are gas leaks which are contributing to greenhouse gas emissions as well as safety considerations. Battery storage can be considered when it becomes affordable.

- **Universal energy access** - The province needs to firstly provide sufficient energy to meet basic household energy needs. Once universal access has been achieved then the province can look at exporting energy to the rest of the country. Sufficient amounts of Free Basic Electricity (FBE) should also be accessible to indigent households.
- A suggestion was made that, there should be a creation of **District Renewable Energy Programmes**, since there are also Districts Agricultural Parks Programmes in place.
- **Electric vehicles** - the province has the potential to be an e-mobility centre public transport based on its location. It was noted by some participants that the primary commute distances in Mpumalanga are ideal for electric vehicles and government could provide the infrastructure for charging point that could be used for private and public use.
- Plans must be created that ensure protection of the environment as well as social and economic aspects of the decommissioning process of coal power stations.
- **Health facilities** need to be significantly improved to assist the work force that is currently suffering from respiratory illnesses.

What are the immediate actions that are needed for a just and sustainable transition?

- **Eskom's role** in the Just Transition should be defined. The unbundling of Eskom may open up opportunities for smaller businesses to enter the generation space, however it is not clear how these changes will impact access to energy and energy prices. Further, Eskom should be involved in the renewable energy sector working in partnership with the local government and communities.
- **The role of local government** in energy production and management needs to be redefined. Local government needs to be capacitated and resourced to carry out its responsibilities fully.
- **Communities need to be empowered** so that they can pursue entrepreneurial opportunities in the renewable energy sector. Training needs to be provided and SMEs need to be encouraged and supported.
- **Community owned electrification projects** using different funding models should be explored and piloted. Mechanisms to access money for capital and operational expenditure should be established. This could be done through stokvels, corporate sponsorship, etc.
- **Community engagement** - Involve communities that are most affected by closing power stations to participate and co-create plans for new energy. This will mitigate fear and pessimism associated with plant closure.
- **Involve Eskom** in the solution to energy problems alongside communities and government.

Wrap Up

Peta Wolpe summarised the discussions noting that air quality and health has come up very strongly, particularly in regard to jobs. There are many opportunities in the province to create jobs in the green economy such as agriculture, mine rehabilitation, manufacturing and renewable energy production. Governance, accountability, access to information, community participation and empowerment is essential and were common threads across the energy, water and land-use discussions. It is clear that financial flows are needed to implement the vision for a just and

sustainable energy future. This will only be achieved by all stakeholders collaborating and forming partnerships.

Closing remarks

Commissioner Essop closed by thanking everybody for their participation and the Mpumalanga Provincial Government for assistance in convening this meeting. She noted that the transition is going to be complex, particularly in terms of job losses. It might not be possible to absorb all mining jobs into the renewable energy sector which is why the country needs to take an economy-wide approach to the Just Transition. Communities should be integrated in its development and more decent jobs should be created within the renewable energy sector. The Commissioner proposed that we use Mpumalanga and/or Nkangala District as a hot spot – a pilot to test a stakeholder-led approach to planning a Just Transition. Could this region be a model for a bottom up process through partnerships and collaboration? Stakeholders can consider this and provide feedback at the Concluding Summit that will take place in the next few months.

End.



Pathways for a Just Transition

Briefing Note

The National Development Plan (NDP) envisages that, by 2030, South Africa will have made headway in transitioning to a society that is just, inclusive, sustainable and resilient. Chapter Five of the NDP sets out a framework and guiding principles to ensure that by 2030 South Africa's transition to a low-carbon, climate-resilient and sustainable economy and society will be well underway.

Transitioning to a sustainable and resilient economy and society will require systemic and structural changes that should also see the use of South Africa's natural resources, including water and energy, resulting in appropriate economic and social development that addresses our country's triple challenges, namely, inequality, poverty, and unemployment.

The National Planning Commission's (NPC) work is now in its second phase, which intends to ensure the implementation of the Plan by engaging relevant stakeholders. In its plan for ensuring the implementation of Chapter 5 of the NDP, the NPC has designed a process to facilitate a series of dialogues culminating in a social compact – an agreement on what the best pathway for a Just Transition to a sustainable society would be as well as agreements on the modalities for implementation.

The dialogues include building consensus on a vision for an equitable and sustainable South Africa in 2050, as well as determining the best pathway for a Just Transition towards that vision. The discourse will also consider, and address current crises impacting on our ability to ensure a Just Transition, such as energy sector job losses and the growing water crisis, amongst others.

The vision for 2050 will be built through an iterative process of engagements and will be presented at a final concluding conference in May 2019.

The current political discourse frames this process and the implementation of the Plan. President Ramaphosa in the State of the Nation Address 2018 highlighted the need for South Africans to work together *"by getting social partners in our country to collaborate in building a social compact on which we will create drivers of economic recovery"*. He further stated that *"Our country has entered a period of change. While change can produce uncertainty, even anxiety, it also offers great opportunities for renewal and revitalisation, and for progress"*.

