



## National Development Plan: Pathways for a Just Transition

### North West Stakeholder Dialogue Meeting

12 March 2019

Rustenburg Local Municipality, Waste Depot Boardroom,

156 Bethlehem Drive, Rustenburg

### REPORT

---

#### Purpose of this report

This report provides a summary of the inputs and discussions that took place at the North West Provincial workshop on the 12 March 2019. This workshop is part of a series of provincial workshops that the National Planning Commission (NPC) 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 South Africa in 2050.

#### Welcome

Lillian Sefike, Manager in the Integrated Environmental Management, Rustenburg Local Municipality and Peta Wolpe from Sustainable Energy Africa, warmly welcomed participants on behalf of the NPC to the meeting. Rustenburg Local Municipality recognises the importance of these dialogues on the just energy transition and as an entity within government feels that it is important to support national initiatives to enhance implementation.

Sustainable Energy Africa together with OneWorld Sustainable Investments are the service providers on the *Pathways for a Just Transition* project that is being led by the NPC. This is the sixth provincially-based stakeholder engagement that has been held. The purpose of these workshops are to give an opportunity to all stakeholders from government, business, civil society, experts and labour sectors from across the country to express their views on a low-carbon future for the country. Peta thanked the participants for their attendance, noting that there was good attendance from government, civil society and academia but there was poor representation from business and labour although they were invited. Peta also thanked Rustenburg Local Municipality for providing a venue for the workshop.

#### Opening

Commissioner Tasneem Essop from the NPC who leads the climate change work at the Commission and who is responsible for the *Pathways for a Just Transition* stakeholder engagement process thanked participants for their attendance.





## Overview of the *Pathways for a Just Transition Process*

National Development Plan (NDP) Chapter 5: the framework

The Commissioner provided a background to a low carbon future for the country as articulated in the National Development Plan (NDP 2012), focusing on Chapter 5 (ensuring environmental sustainability and an equitable transition to a low-carbon economy), and its importance in reducing poverty and inequality. The process of developing the NDP and specifically chapter 5 (phase 1) was outlined.– The NPC undertook a diagnosis of the key problems the country faced through a year-long inclusive and evidence-based process via stakeholder engagements, research and interviews. The key problems identified were jobs, crumbling infrastructure, poor education, spatial divide, low economic growth and corruption amongst others, however key to this diagnosis were the challenges relating to poverty, inequality and unemployment. Chapter 5 outlines an end state for 2030. After a year-long process of engaging with civil society, business, the big energy users, government, labour and experts, a set of guiding principles were agreed upon which formed the basis of Chapter 5. The Chapter is not a plan for a Just Transition but rather provides a guiding framework for this.

### Pathways for a Just Transition: the project and process

The NPC is now embarking on the second phase of implementation of Chapter 5. The mandate of the second phase is to firstly **review the progress of government and society in the implementation of the NDP with regard to chapter 5**. Secondly, the NPC is also seeking to **update Chapter 5 with concrete actions to achieving a low-carbon society** through the *Pathways for a Just Transition* process. This process involves conducting a series of dialogues with civil society, business, government, labour communities and experts in all provinces as well as hold meetings with various constituencies through bi-lateral meetings to continue the dialogue. This workshop is part of the broader stakeholder engagement process that we are holding in each province. **The purpose is to understand where we want to transition to by 2050 and how we are going to get there**. It is important to remember that the NDP is not a plan for government alone, but is an overarching framework for the country which considers the roles of all actors. It was noted that the transition is already happening locally and globally due to changes in the costs of energy and the advancement of technology. These shifts affect global markets and especially in South Africa as we are a coal exporting country. Due to the transition already occurring, we now need to **focus on the transition being just and fair**. The aim of this process is to develop a vision for the country to 2050, a timeframe which is in line with global milestones on climate change, to determine how we get there and ensure that we address poverty and inequality.

The Commissioner described the *Pathways for a Just Transition* process. 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. The intention was that this process will run in parallel to a series of wider stakeholder engagements with stakeholders from a wide range of sectors, namely civil society, labour, business, and government. 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 now shifted to through 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 energy transition. While the NPC has adopted an economy-wide approach to planning for a Just Transition, participants at the first Social Partner dialogue proposed that we need to prioritise what we focus on as well and proposed a focus on three primary sectors, energy, land-use and water.

Thus far workshops have been held in Western Cape, Gauteng and Northern Cape, Mpumalanga and Eastern Cape. This is the 6<sup>th</sup> province, and the remainder of the provinces will be engaged with in early 2019. The intention is for each of these engagements to build on each other in an iterative manner and finally culminating in a **concluding conference** which will lay the foundation for a high-level summit later in 2019 after the elections. It is intended to use the outcomes of this process as a basis for a **social compact on the Just Transition** at the Summit. 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 outcomes of these engagements will also feed into the **review process of the NDP**. **The NPC has also recently agreed that climate change is an urgent and cross cutting issue and hence will not be limited to Chapter 5 but will be addressed in all chapters of the NDP**

Below demonstrates the process of the stakeholder engagements.



*Pathways for a Just Transition Process Flow Chart*

The Commissioner referred to the latest Intergovernmental Panel on Climate Change 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.

#### 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 'Just Transition' is a concept developed by the trade unions to protect the rights of workers and secure their jobs in periods of big shifts affecting their employment. The concept has now been mainstreamed and applied with a broader scope to include society at large, especially the most vulnerable i.e. women, children, unemployed and the disabled.

## The Key Challenges and Opportunities of a Just Transition for the North West Province (Breakaway Groups) and Feedback

Peta Wolpe introduced the group work session. Participants were asked to discuss what the opportunities and challenges are for a Just Transition in the North West Province. To thus focus on local influences rather than national issues. It was explained that the discussions in each province and other bi-lateral meetings with constituencies are not standalone but build on from each. The outcomes from these discussions will be consolidated and presented in the form of a visioning document at the concluding conference later on in the year.

### Feedback from groups on challenges

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

- **Government capabilities** - While there are climate change and environmental plans included in IDPs, municipalities lack the funding and resources to implement low-carbon development plans or environmental projects at scale. There is no provincial mandate to respond to climate change and hence climate change is not vertically or horizontally integrated. Government is under capacitated to undertake rigorous monitoring resulting in poor enforcement of mining regulations. Furthermore, there are no institutional mechanism to implement a Just Transition. There is a lack of integrated decision making within government and this impacts on the communities.
- **Corruption** - Mining communities do not feel that they are able to effectively communicate or coordinate with government. Many of the mining communities are governed by traditional authorities who act in their own interests and not that of the community. Political interference is strong impeding fair and just planning. Government needs to be held accountable.
- **Diversify the mining economy** – There is an over dependence on mining activities in the province
- **Poor coordination and lack of regulations** – regulations don't allow companies to work with communities using offset projects which could benefit communities successfully.
- **Community engagement** – stakeholders both government and business do not engage with communities in a meaningful way.
- **Mining jobs** - Mines do not necessarily employ people from the surrounding communities, leaving communities to bear the brunt of environmental damage and without any economic benefits.
- **Water** – the province is arid and suffers from constant droughts. Furthermore, a large and unequitable portion of water is dedicated towards mining activities rather than for basic human consumption. The wetlands which are carbon sinks are degraded as a result of climatic, mining and other human impacts. Water and the environment require careful management and planning.
- **Service delivery is a challenge** – rapid growth of informal settlements in mining towns results in the government being unable to cope with water, health and electricity provision. Electricity theft is also rife resulting in damages to infrastructure.



- **Mining impacts on the environment** – there is little monitoring of the impact of mining operations on the natural environment. Furthermore, when mines close down, the mines are abandoned and there is no land rehabilitation.
- **Conflicting mandates** – there is poor collaboration between the Department of Mineral Resources who is mandated to issue mining permits and the Departments of Environmental Affairs, and Water and Sanitation. Mandates for these departments are in conflict with each other.
- **Deforestation and domestic air quality** – Poverty results in the use of firewood collected from the bush illegally for energy. This also contributes to air pollution and the health of communities.
- **Solutions are over shadowed** by technology however there are simple low cost solutions such as tree planting. There are no programmes on urban greening. The green economy is overshadowed by technology which is not realistic and context appropriate.

#### Feedback from groups on opportunities

- **Job creation** – through the green economy e.g. recycling, renewable energy, mine rehabilitation, manufacturing of green technologies (solar PV panels)
- **Repurposing mines** for the other uses including using them as manufacturing hubs and museums.
- **Renewable energy production** – the province has high solar resources which could be utilised to produce electricity for the country. Mining companies can also invest in clean renewable energies and reduce their dependence on the grid.
- **Upskilling** - Mines can employ people in the surrounding communities, upskill them for other sectors that can benefit businesses and communities
- **Manufacturing jobs** – the Bojanala District has recently been declared a Special Economic Zone for manufacturing. People should be at the centre of this planning.

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

### PRESENTATION 1: Centre for Science and Industrial Research Energy Center

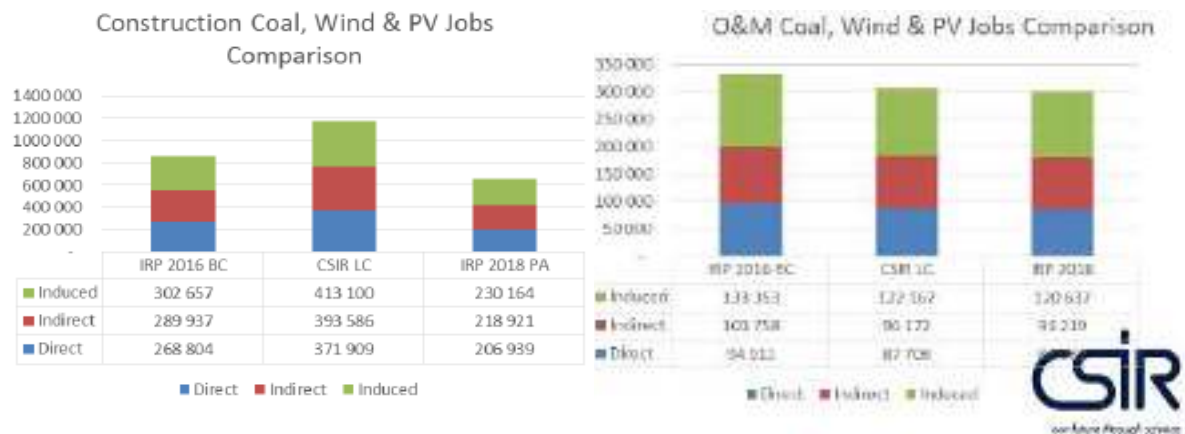
Ruan Fourie, an energy economist from the Energy Centre at the Centre for Science and Industrial Research (CSIR) presented findings from recent research undertaken on the impact of the energy transition on the country in terms of jobs and other co-benefits which include economic prosperity, health, self-consumption of renewable energy and water.

Results from the research show that there will be a decline of 12 000 MW of coal powered electricity by 2030 due to the stations reaching the end of their operational lives, however the electricity will be replaced by renewable energy. By 2050, only 2 coal power stations, Medupi and Kusile will still be operational.

Three scenarios were investigated to determine the co-benefits of renewable energy on the country. The three scenarios used are the IRP 2016; the CSIR Least Cost; and the draft IRP 2018. The results show that the CSIR Least Cost scenario which has no new coal creates the most number of jobs per GWh. These jobs are mostly in the construction phase, rather than the operational and maintenance (O&M) phase. Jobs will be lost in the coal sector and therefore it is important that a plan is

developed to mitigate against unemployment. There is potential for out migration from Mpumalanga to other mining areas such as the North West which will add to the service delivery pressures in the North West province and competition for jobs amongst other challenges. However if these workers are re-skilled, and a manufacturing hub is set up in Mpumalanga, they could be absorbed in the construction and manufacturing industries in Mpumalanga and across the country. Diversification of mining economies is important to buffer against extreme shocks.

New build capacities added 2020-2030 (MW)				
	PV	Wind	Coal	Total
IRP 2016 BC	4 680	7 000	5 250	16 930
CSIR LC	12 500	19 900	0	32 400
IRP 2018 PA	6 484	11 800	6 732	25 016



## Discussion

1. The number of jobs for construction and O&M don't seem to add up.  
Renewable energy plants have a lifespan of 20 years (compared to 40 years or longer for coal), therefore new plants need to be constructed periodically. The number of jobs up to 2050 have taken this into account. It is important that we acknowledge that there will be job losses in the energy sector but this should be considered and approached holistically through an economy-wide approach rather than a sectoral approach.
2. How many years of mining activity does South Africa have?  
No research has been done on this.
3. Has the CSIR investigated the socio-economic impact of solar PV on rooftops compared to land?  
This is complicated as it depends on the type of building and who owns it. However, there is a successful micro-grid demonstration project in an informal settlement in Stellenbosch that is being supported by the municipality which could be used as a model throughout the country to realise benefits to local communities. In order for this to happen, regulations need to change.

4. The Western Cape has a successful Special Economic Zone model that has created renewable energy jobs. The North West should learn from this model.

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

Commissioner Essop presented what we have consolidated from previous workshops and engagements thus far as a backdrop to the breakout sessions later on in the day. There are several common themes that have emerged that also apply to the North West in relation to energy, water and land-use. There seems to be a general agreement from the stakeholders that by 2050 we will have moved to:

- A developmental state which is environmentally sustainable and in which social and economic development is equitable
- The poor and vulnerable – workers, women, children, disabled - are empowered and are resilient to the shocks of climate change
- Education and reskilling that is fit for purpose in the transition
- Decent jobs, livelihoods, ownership and social enterprise for all
- A new economy not based on fossil fuels and where decentralised and local systems are flourishing
- The youth are providing leadership for planning the future
- There is clean air, safe and affordable energy and clean water for all
- Land-use is informed by the need to build resilience against climate change and puts the needs of the poor at the centre
- A society built on partnerships and collaborative planning between all key stakeholders; government, communities, business, labour and civil society
- Innovation, especially community and indigenous innovations, helps with building a new economy
- Decision-making is inclusive, transparent and there is accountability with consequences

**However, there are contradictory views and hard questions to be answered. Each sector has its own needs and positions. We will need to address these hard trade-offs. We will need to identify ways to deal with the winners and losers in the transition.** Some of these tensions include:

- There is an intention to unbundle Eskom but Labour is against unbundling ESKOM and the coal transition, fearing job losses
- There is an intention to grow large-scale renewable energy. What about small-scale community owned renewable energy?
- The regulatory environment and tariff structure for municipalities will have to change to sustain municipalities
- Rising electricity prices have an impact on the poor and business. Can a decentralised renewable energy system support affordable tariffs?
- We also need to develop targets on emissions reductions.



Using this as a basis, the NPC would like to hear from stakeholders on the following:

1. Are there gaps in the vision developed thus far?
2. What needs to shift now to get us to where we want to be in 2050?
3. When must they shift?
4. Who will drive these shifts (key players)?
5. What do we need to do to ensure a Just Transition?
6. What are the hard decisions we still need to make?

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

Group: Land – use

Led by Ashraf Kariem

### Vision

Land and land-use needs to be given a higher priority in the vision. The way in which land is zoned and used has significant ramifications for environment and climate change and people. Land needs to be preserved. In addition, the constitution of the country should include the environment.

What needs to shift now to get us to where we want to be in 2050?

- The natural environment should take precedence over human development.
- Government is divided on mining vs land protection. Government needs to have a unified vision for land-use and the economy.
- Business/developers should be convinced to invest in vertical urban planning which is much more efficient for society and the delivery of services, but less profitable for the developers.
- The mining sector needs to take responsibility – mines do not adhere to environmental regulations leading to environmental destruction. Mines need to act responsibly and rehabilitate mines upon closure.
- We need integrative planning - The gap between legislation, planning and enforcement should be bridged. Planners need to develop urban landscapes with climate change in mind.
- Land ownership – land needs to be given back to communities and communities need to be empowered to manage that land, and included in decision making processes. Land reform should not affect climate change negatively.

What do we need to do to ensure a Just Transition and who are the key players?

- **Inclusive planning** – Government should create platforms for improved stakeholder and community participation. Communities need to be empowered to take on big business on a levelled playing field.
- **Land-use and zoning** - New mining licences should not be granted until there is clarity on climate policies and plans. There should be a focus on vertically designed and densified cities to allow more space for agriculture and nature preservation.
- **Corruption** – Government needs to have transparent processes and provide access to information to curb corruption in government. Government members are also shareholders of mining companies so there are vested interests preventing fair processes.

- **Hold business accountable** – mining activities should be stopped and companies charged if they are found to be in violation of social and environmental laws. Companies know that legislation is not enforced which leads to poor accountability.
- **Education and awareness** – government needs to educate rural communities on sustainable land management practices
- **Implementation of existing policies and plans**



## Group 2: Water

Commissioner Pulane Molokwane

### Vision

The vision should refer to the quantity and availability of water

What needs to shift now to get us to where we want to be in 2050?

- Prioritise water such that it is used sustainably, economically and fairly.
- The private sector (mines and agriculture) use a significant quantity of water. A lot of the outputs are for export.
- Human demands should not take priority over the needs of the natural environment. Wetlands need to be conserved.



What do we need to do to ensure a Just Transition and who are the key players?

- **Political leadership** – water is not a priority resulting in poor implementation of plans and regulations. There is poor coordination horizontally and vertically. There is a lack of policy implementation and a lack of a coordinated approach from DWA. Government should develop a monitoring system to ensure that there is progress in terms of water service delivery.
- **Polluters need to be held accountable**
- **Data and information management systems** – government needs to invest in data so that there is credible data from which to forecast or model and monitor usage. We need to get a grasp of groundwater usage.
- **Water supply infrastructure maintenance** – water infrastructure is old and needs upgrading to supply the expanding urban populace. Furthermore, there are no systems in place in the municipality to check when there are leaks resulting in substantial water losses.
- **Verification and validation (audits)** – to ensure good quality water is supplied, ensure accountability. Undertake house to house audits
- **Enforcement of laws and regulations**
- **Proper monitoring and evaluation**

**There are** hard decisions to be taken and these include, implement what we have as soon as possible, appoint skilled people, put the function of providing water in the hands of province and not the municipality.

## Group: Energy

Led by Mukondi Masithi

### Vision

The Vision needs to have targets for energy and emissions and reflect more about empowering youth, decentralised energy at the household level e.g. biogas production. South Africa should aim to be a 'super power' country.

### What needs to shift now to get us to where we want to be in 2050?

- Energy centralisation to local and community decentralisation
- Political support for climate change and energy transition from
- Society to hold government and business accountable for environmental and social damage
- Planning needs to be coordinated and climate change needs to be mainstreamed
- We need to look at the system in an holistic way and weigh out the costs and benefits for each technology

### When must they shift?

The shift needs to happen urgently. Government should thus start acting immediately to create an enabling space for society at large to transition to cleaner energies and live in a sustainable manner. The transition is already happening but we are not prepared for it resulting in short term negative impacts - mines and coal powered stations are closing down; municipalities are facing revenue losses; the transmission and distribution grids are not ready for decentralised energy.

### What do we need to do to ensure a Just Transition and who are the key players?

- **Regulation** - Legislation must be amended for a sustainable environment for a Just Transition to happen. This includes decentralised energy production. Policies and mandates need to be aligned.
- **Political buy-in** – there is poor political buy-in to support climate change and the energy transition in a just way. There are many good plans that lay unimplemented due to changes in ministers etc.
- **Priority stakeholders** - Communities need to be empowered to implement community-owned renewable energy systems. Therefore the financing of energy plans must be inclusive of communities. People need to be prioritised over businesses.
- **Employment** - Jobs need to be created by supporting a renewable energy manufacturing industry in the province, especially in the SEZ and where mines have shut down. Jobs can also be created to rehabilitate the environment, starting with mines.
- **Meaningful public participation** – public engagement needs to be strengthened. All stakeholders need to be part of making big decisions. This applies to the process of unbundling of Eskom which impacts the entire country not just the entity.
- **Coordination with all the stakeholders** - Communication amongst the actors must be improved and there should be an agreed vision. Not everyone is feeding into this process today. Traditional leaders who are the owners of vast amount of land are not here to provide input.
- **Alignment and coordination of plans** - Finance and planning must be aligned.

- **Finance for the Just Transition** – there is very little finance for climate change and environmental sustainability. International climate finance flows need to be unblocked. We need more public – private partnerships to access private capital.
- **Research and innovation** – more research is needed on the Just Transition to inform planning. For example on migration patterns, skills required for the future, technological solutions etc. Innovation hubs need to be created.
- **Targets and indicators** – we need targets to work towards and monitoring mechanisms with indicators so that plans can be operationalised across government and society with associated budgets.

#### What are the hard decisions we still need to make?

Do we want to continue to be a resource extractive economy? We are divided on this. The president wants to increase mining outputs to grow the economy, which is a short term goal which is in conflict with the long-term social and environmental vision for the country. The government needs to take the recommendations from this process seriously. Political willingness and corruption needs to be addressed first otherwise this is a meaningless process. The public must also work harder at holding government accountable.

#### Wrap Up

Peta Wolpe summarised the discussions noting that 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 are essential components for a Just Transition and were common threads across the energy, water and land-use discussions.

#### Closing remarks

Commissioner Essop closed by thanking everybody for their participation including the Rustenburg Local Municipality for use of their venue, the Bojanala District Municipality and North West provincial government for their support and resources 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 transition. Communities should be integrated in its development and more descent jobs should be created within the renewable energy sector. The NPC looks forward to further engagement with stakeholders and their participation at the concluding conference.

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"*.

