



**PRESIDENTIAL  
CLIMATE COMMISSION**  
TOWARDS A JUST TRANSITION

**A Presidential Climate Commission Report**

# **Just Energy Transition Investment Plan**

**Stakeholder Perspectives**

March 2023

## About the Presidential Climate Commission

The Presidential Climate Commission (PCC) is a multi-stakeholder body established by the President of the Republic of South Africa to advise on the country's climate change response and pathways to a low-carbon climate-resilient economy and society.

In building this society, we need to ensure decent work for all, social inclusion, and the eradication of poverty. We also need to protect those most vulnerable to climate change, including women, children, people with disabilities, the poor and the unemployed, and protect workers' jobs and livelihoods.

The PCC facilitates dialogue between social partners on these issues—defining the type of society we want to achieve, and detailed pathways for how to get there.

## About this Report

This report is submitted under the project “Presidential Climate Commission Recommendations for South Africa's Electricity Future” by the Presidential Climate Commission (PCC).

OneWorld Sustainable Investments has been contracted by the Presidential Climate Commission to support the current series of energy dialogues with social partners on PCC recommendations to government on the Just Energy Transition Investment Plan (JET-IP) and electricity planning in South Africa.

The energy dialogues comprise an information session and a formal consultation with each social partner: Business, Civil Society (including Faith and Youth), Government (including Local Government) and Labour. In addition, community consultations at the local level were also held.

This Report is structured into the following five sections, these being the most effective way in which to cluster stakeholder responses

- Methodology and procedural justice for consultation
- Scope and prioritisation
- Timeframe and financing terms of the JET-IP
- Institutional arrangements and capacities
- Monitoring and evaluation

The Report concludes with a short Synthesis of the various recommendations.

A report on the stakeholder perspectives on the electricity planning has been prepared separately to this report. This report will be presented to the President of the Republic, uncensored. The report of the Presidential Climate Commission's recommendations of the JET-IP (considering the stakeholders' views) will also be presented to the President. These undertakings emanate from the President's request to the PCC, on 4 November 2022.

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## 1. Introduction

During the February 2022 PCC Commissioners Strategy Session, following input by the Minister of Mineral Resources and Energy, the PCC commissioners took the decision to make recommendations to H.E. the President of South Africa and Cabinet on taking climate change into account when planning energy, and more specifically electricity. As is the PCC mandate, the PCC ran a year long process of engaging with stakeholders, first in a series of technical sessions and then in a series of stakeholder and community specific engagements, with the latter done in parallel to consulting on the Just Energy Transition Investment Plan (JET-IP).

Conducted between January and March 2023, these dialogues reached all the country's social partners. These included business, civil society (including faith and youth), local and national government, including local government, and organised labour. This process elicited a range of stakeholder perspectives on South Africa's energy security, electricity and energy planning and investment, and decarbonisation. The consultation process was delivered in two formats - an information session, followed by a formal consultation with each social partner and stakeholder group. This approach sought as far as possible to ensure that stakeholders were informed and prepared for the consultations. A key objective was to gather perspectives from across society on South Africa's just energy transition (JET) which underpins both the PCC's recommendations on the JET-IP, and on electricity planning. This report is the summary output of these engagements as they pertain to recommendations on South Africa's JET-IP. A report on the stakeholder perspectives on South Africa's electricity planning has been prepared separately to this report.

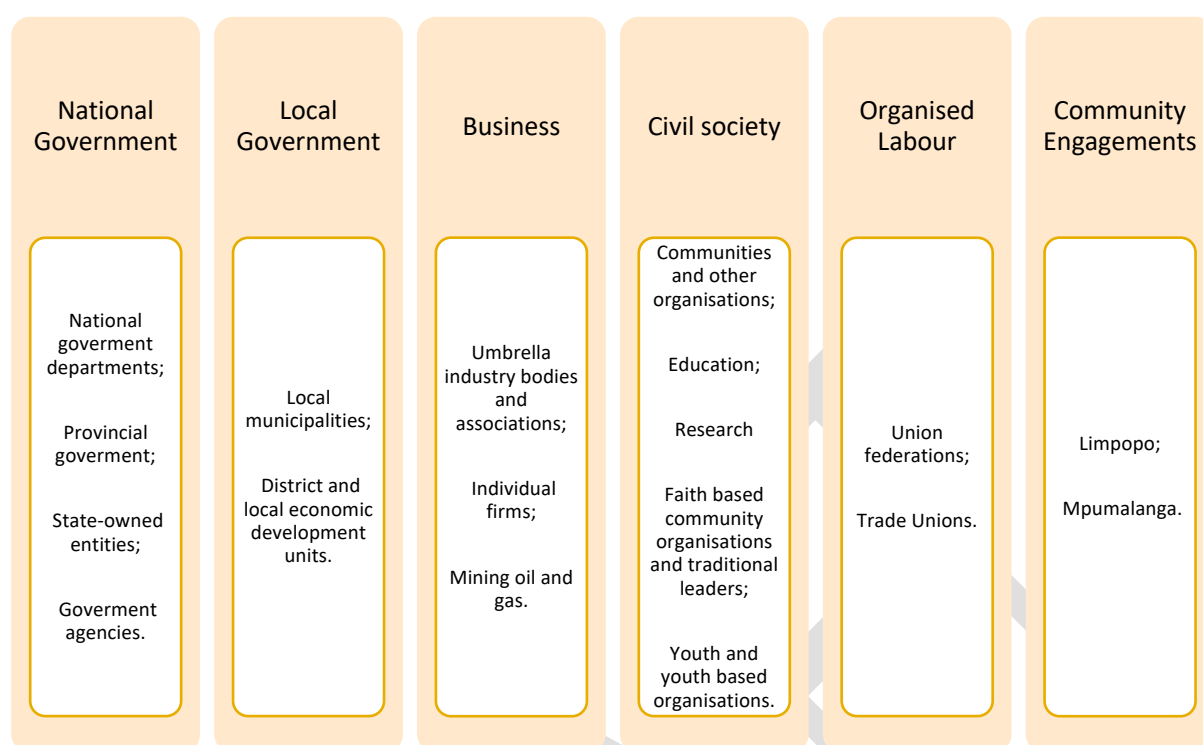
This summary stakeholder perspectives report is an important input into a separate report that holds the recommendations. Read together they provide a record of the PCC process of wide stakeholder consultation backed by research into the best available science.

### 1.1. Methodology underpinning this report

This JET-IP Stakeholder Perspectives Report presents the varied opinions across South African social partners involved in the energy transition and presents the outcomes of the PCC's consultation process conducted over the first quarter of 2023.

The objectives of this stakeholder consultation programme were to (i) gather and consolidate the views and concerns of affected stakeholders regarding what constitutes a JET for the South African economy and society; (ii) build trust and understanding between parties; (iii) understand the principal elements of the national Just Transition Framework which need to be built into the JET-IP; and, iv) establish a consensus regarding the principal elements of a set of recommendations on incorporating climate change into energy investment and electricity planning in South Africa. This engagement is ongoing as we seek to incorporate perspectives of social partners in all of PCCs work and in the expansion of our work in electricity to the broader energy landscape. A long-term exchange of views between social partners and the PCC is critical to our reaching consensus and enabling implementation.

Figure 1. Balanced stakeholder representation



This section of the report sets out the methodology used to capture and synthesise stakeholder data and perspectives gathered throughout the consultation process. The data captured to inform this report arose from the series of JET-IP and energy planning dialogues conducted by the PCC as outlined in Table 1, as well as by the written comments received from some stakeholder groups, as summarised in Table 2.

Table 1: Summary of PCC integrated energy dialogue events

Social partner	Event type	Date
Youth	Information sharing	08 February 2023
Industry and Business	Information sharing	10 February 2023
Organised Labour	Information sharing	14 February 2023
Industry and Business	Formal consultation	17 February 2023
Limpopo Communities	Integrated community consultation	20 February 2023
Civil Society	Information sharing	01 March 2023

Social partner	Event type	Date
Local Government	Information sharing	02 March 2023
Faith-Based Community	Information sharing & Consultation	08 March 2023
National Government	Information sharing	10 March 2023
Organised Labour	Formal consultation	13 March 2023
Local Government	Formal consultation	14 March 2023
Youth	Formal consultation	24 March 2023
Civil Society	Formal consultation	27 March 2023
National Colloquium on Electricity Recommendations	Multi-stakeholder Colloquium	14 April 2023

In addition, written comments submitted by various stakeholders (see Table 2 below for a full schedule of these) have been taken into consideration in preparing this synthesis report.

*Table 2: Register of written comments submitted to the PCC on the JET-IP and Electricity Plan / Energy Mix*

Submitting Organisation	Format of the Written Comments	Social Partner
Black Business Council	Black Business Council JET-IP Review and Input	Business
Centre for Environmental Rights	20230404 - Email Body from Centre for Environmental Rights	Civil Society
Centre for Environmental Rights	20230317 - DRAFT PCC_Electricity Planning and Recommendations Report_V6_Centre for Environmental Rights	Civil Society

Submitting Organisation	Format of the Written Comments	Social Partner
Centre for Environmental Rights NPC	LAC and FFCSA Comments on the JET-IP 3 April 2023	Civil Society
COSATU	COSATU JET IP Submission Document	Organised Labour
City of Cape Town	29032023 - Email Body from CoCT	Local government
City of Cape Town	Addendum A Response to JETP Finance Task Team letter	Local government
Department of Environmental Affairs and Development Planning	20230208 Email body WC gov Questions	Local government
Energy Council of South Africa	Energy Council comments on PCC power sector draft recommendations	Business
Groundwork	Groundwork_Contested transition Report-2022	Civil Society
IDC	20230326 - Email Body feedback _IDC	National Government
Institute For Economic Justice (IEJ)	Final version_IEJ & CLiFT_JET-IP Submission_March 2023	Civil Society
PCC	20230327 - Email Body -A critical appraisal of the JET-IP - PCC recommendations	PCC Commissioners
SACAN	20230403 - Email Body from SACAN	Civil Society
SACAN	SACAN PCC JETP Submission	Civil Society
SALGA	SALGA Letter to PCC-21032023 (002)	Local government
Section 27	20230328 - Email Body from Section 27	Civil Society
Shared Value Africa Initiative (SVAI) & Shift Impact Africa	01032023 - Email Body comments SVAI	Civil Society

Submitting Organisation	Format of the Written Comments	Social Partner
Shared Value Africa Initiative (SVAI) & Shift Impact Africa	SVAI Questions and comments on the JET-IP and EP draft recommendations	Civil Society
Sustainable Energy Africa (SEA)	02032023 - SEA comments on the JET-IP and EP draft recommendations	Civil Society
WWF	20230404 - Email Body from WWF	Civil Society
WWF	Cover Letter 03042023_PCC Consultation on Recommendation on the Electricity Plan + JET IP	Civil Society
WWF	PCC consultation on Electricity Plan and the JET IP - WWF inputs	Civil Society

For each consultation event presented in Table 1, the OneWorld team captured detailed notes, ensuring that all comments and questions raised in the discussions, as well as in the chat box or Question and Answer (Q&A) function, and from later written submissions, were noted and captured. This included name of individuals and/or organisations providing feedback, questions and comments. Notes recorded during information sharing and consultation sessions, as well as written feedback submitted by stakeholders, was then transcribed and analysed in an Excel workbook, the layout of which is presented in Table 3 below. Some sessions were closed at the request of the social partners concerned, notably Government and Labour. As such, the information from these sessions is not publicly available. However, COSATU did submit a written input on the JET-IP on 06 April 2023, and this was also analysed for the purposes of this stakeholder report.<sup>1</sup>

Stakeholder data was classified and clustered by theme. The classified clustering of stakeholder feedback allowed for the unbiased identification of frequently raised stakeholder perspectives and comments and provided a preliminary view of emerging points of convergence and divergence. While the themes were pre-identified with stakeholder perspectives classified accordingly, a range of sub themes emerged from the analysis of the dialogue discussions and are also captured in Table

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<sup>1</sup> Cosatu rejected the JET-IP in the beginning of its written input; but went on to enunciate specific views on the need to re-write or amend the JET-IP in the later parts of its written report. These specific viewpoints have been included in this report.



3 below. A summarised view of the consolidated stakeholder perspectives is presented in Annexure 1.

*Table 3. Layout of Excel workbook used to capture stakeholder perspectives captured during Information sharing and Formal consultation sessions.*

Column	Details
<b>Topic</b>	Select the appropriate topic: <ul style="list-style-type: none"> <li>• JET-IP</li> <li>• Electricity Planning Recommendations</li> </ul>
<b>Theme</b>	<ul style="list-style-type: none"> <li>• Methodology and Procedural Justice for consultation</li> <li>• Scope and prioritisation</li> <li>• Timeframe and financing terms of the JET-IP</li> <li>• Institutional arrangement and capacities</li> <li>• Monitoring and evaluation</li> </ul>
<b>Sub-Theme</b>	<ul style="list-style-type: none"> <li>• Methodology and procedural justice for consultation <ul style="list-style-type: none"> <li>◦ Methodology for consultation</li> <li>◦ Consultation timing and preparation</li> <li>◦ Thematic consultations</li> <li>◦ The PCC's response</li> <li>◦ Procedural justice for consultation</li> </ul> </li> <li>• Scope and prioritisation <ul style="list-style-type: none"> <li>◦ Alignment with the Just Transition Framework</li> <li>◦ Energy ownership models and privatisation</li> <li>◦ Skills development</li> <li>◦ Grid capacity</li> <li>◦ Industrial policy and the JET-IP</li> <li>◦ Corruption, theft and vandalism</li> <li>◦ Municipalities</li> </ul> </li> <li>• Time frame and financing terms of the JET-IP <ul style="list-style-type: none"> <li>◦ Timeframe of the JET-IP</li> <li>◦ Financing terms</li> </ul> </li> <li>• Institutional arrangements and capacities <ul style="list-style-type: none"> <li>◦ Capacity to implement the JET-IP</li> <li>◦ Oversight and governance arrangements and anti-corruption measures</li> </ul> </li> <li>• Monitoring and evaluation</li> <li>• JET-IP and electricity planning</li> </ul>
<b>Question/Comment</b>	Comment or question raised by stakeholder
<b>Stakeholder (Speaker)</b>	Name or identifier for the stakeholder contributing a comment or question
<b>Organisation</b>	Organisation or affiliation of the stakeholder (speaker)- used to capture comment or feedback as well as identify points of divergence or convergence on frequently raised comments or questions
<b>Response</b>	Used to capture responses or feedback provided for comments or questions raised.
<b>Consultation Group</b>	Used to capture the stakeholder group (Business, Civil Society, Faith, Local Government, National Government, Organised Labour, Youth)

## Key Messages

The following key messages emerged from the integrated energy consultations and community engagements. These are elaborated in Chapter 2 below and are highlighted here as critical messages that emerged from the consultation process, either because there was broad consensus on these issues, or because of contestation requiring balance and future dialogue.

The justice, or just transition aspects of the PCC's recommendations came under significant scrutiny. Although the social partners raised different issues pertaining to justice, many stakeholder groups were concerned (in no particular order) with issues of energy poverty, incentives, the pace and extent of decarbonisation, the role of state and the extent of private investment, skills development and employment, and corruption, theft and vandalism.

- The need for a **meaningful consultation approach** was heightened by Eskom's low capacity to deliver energy security to South Africans and the consequent current electricity crisis.
- It is evident that the JET-IP is being presented as a "Cabinet-endorsed plan" and stakeholders are being asked to comment on it as an approved plan. It should be viewed as a **living document** and hence be continuously open to adaptation as conditions require going forward.
- **Procedural fairness** is a critical success factor of all consultations and dialogue. Timely sharing of relevant information and notification of consultations as well as thorough stakeholder mapping and inclusion are all key in this regard.
- The scope and priorities of the JET-IP require thorough review. The rationale for prioritising Green Hydrogen is not immediately clear and requires further justification and explanation, while Electric Vehicles should be considered as an industrial development strategy and further work must be done in the area of public passenger transport and the freight system. These are the areas that make a direct contribution to social services whilst at the same time achieve our decarbonisation objectives.
- **Energy poverty** is an unresolved issue in South Africa with too many people still struggling to afford and/or access electricity and energy services. A collaborative approach between all the social partners toward finding and implementing solutions and realising tangible outcomes is critical and urgent.
- **Municipalities** are emerging as a stronger player in energy developments and investments than has been envisaged in the country's previous electricity and industrialisation plans. Their role needs to extend beyond distribution services, and the role of municipalities in power generation, demand side efficiency and social ownership models need to be included. This is vital to their continued ability to deliver their constitutional mandates.
- **Grid upgrading is a critical and urgent priority** that needs targeted investment, thorough planning and consideration for inclusive access as well as near- and long-term electricity and energy security. This must be more fully articulated in the JET-IP.

- **Social outcomes** for localisation and social and community ownership, electricity access and affordability and employment are non-negotiable outcomes of the JET-IP and these should not be compromised in any way.
- **Skills development and transfer is pivotal** to ensuring these social outcomes and to realising a just transition through South Africa's just energy transition. The budget for skills development needs to be considerably increased in the JET-IP.
- **There are overlaps and gaps between South Africa's electricity planning and the JET-IP** and these further need to be aligned with the national industrial policy development framework and the skills development framework.

Throughout the integrated energy consultation and community engagement process, the PCC has taken account of the key messages and recommendations that stakeholders have articulated. These perspectives, have incrementally influenced the PCC's recommendations on the JET-IP. This recommendations report will be further deliberated at the Colloquium being held on the 14<sup>th</sup> April. The report of the Presidential Climate Commission's recommendations of the JET-IP, inclusive of the stakeholders' views, will be presented to the President of the Republic of South Africa.

## 2. Key Stakeholder Perspectives for the JET-IP

In addition to the emerging trends and themes synthesised above, there are important process lessons to take on board in both planning for and convening stakeholder engagements. Key perspectives arising from these engagements on both the procedural and substantive aspects of the project are detailed below, against a series of themes that emerged from the energy dialogues and process.

This section synthesises the emergent stakeholder perspectives captured systematically from these dialogues (following the methodology outlined in chapter 1 to this report). Key perspectives, particularly those that featured in the comments from more than one participant and social partner groups, are summarised in this chapter against the themes outlined below. Both points of consensus and points of divergence have been highlighted, while important outlying voices have also been noted. The Annexure A to this report provides a summary of the perspectives arising for each stakeholder group consultation shown against the following discussion themes that emerged from the consultations:

- Methodology and procedural justice for consultation
- Scope of and prioritisation
- Timeframe and financing terms of the JET-IP
- Institutional arrangements and capacities
- Monitoring and evaluation

### 2.1. Methodology and procedural justice for consultation

#### *Methodology for consultation*

All constituencies commented on the methodology applied to the consultation process, particularly in the initial phase of conducting these. Key methodological issues included timing of and preparation for the consultations, and the need for

thematic discussions to address systemic issues such as energy poverty, and emerging energy transition solutions such as green hydrogen.

### **Consultation timing and preparation**

In the initial dialogues, stakeholders highlighted the need for constituencies being consulted to have sufficient time to review materials and prepare positions which are open to public discussion and debate. Constituencies particularly noted that receiving transparent information at least two weeks, but preferably a month ahead of a formal consultation is critical. This allows for preparation, which for some constituencies, such as Labour, includes consulting internally to prepare positions that are agreed by members within the constituency, for presentation in the formal consultations. Civil Society observed that national and local engagements have taken place, but at a very quick pace.

A few constituencies further requested that their constituency consultations be established as closed processes open only to invited stakeholders representative of the constituency.

### **Thematic consultations**

Some constituencies expressed the need for more intensive discussion on key thematic issues that, although canvassed and covered in the PCC presentations, are complex and require further engagement, discussion, and capacity building in these areas. In addition to technical sessions already held by the PCC, some stakeholders requested further technical sessions, or thematic consultations, on systemic issues that either remain unresolved in the South African landscape, such as energy poverty, or are emerging and less understood opportunities for energy provisioning and economic development, such as green hydrogen and electric (or new energy) vehicles.

“Between the noisy public meetings and discrete boardroom discussions, there is a gulf.” (Civil Society)

Civil society - including Faith - led the call for addressing the complexity of energy poverty in a transitioning energy environment, through thematic dialogue. However, Labour and Local Government also raised the issue of energy poverty, albeit from different standpoints. While these nuances are discussed in the relevant section to this chapter, the energy dialogues made clear that the issue of energy poverty needs significant discussion, with the associated needs of all affected constituencies being considered in the solutions to this long standing and systemic problem. If not addressed as central to the just energy transition (JET) energy poverty is likely to stand in the way of achieving justice for all.

### **The need for and content of the integrated consultations**

All constituencies welcomed the opportunity to review and consult on the JET-IP, which was considered by many constituencies to be a critical investment plan and foundation of South Africa's future energy and electricity planning, and just energy transition (JET).

“Let there be light, and let it be sustainable electricity.” (Faith)

“We note that the plan has been concluded. It is about us, but without us” (Labour)

However, although the Presidential Climate Finance Task Team (PCFTT) conducted consultations in 2022 (facilitated by the PCC) prior to launching the JET-IP, most constituencies felt that

“We call for a more inclusive process with youth, communities, CSOs, women’s groups. There should be participation in drafting, planning and monitoring implementation - not just for information and feedback. There should be support for consultation – data, documents provided in advance. There must be more sharing of information with more details.” (Civil Society)

they were being consulted on a final investment plan over which they could therefore have little influence. Labour, in particular, regarded the process as a *fait accompli* rather than a consultation. However, other constituencies noted the urgency and driving forces of climate change, the pressure globally and nationally for South Africa to cut carbon emissions, and the need for South Africa to achieve a concomitant renewable energy transition – in a just manner. Of overarching concern to all constituencies was that the transition be inclusive and equitable. All constituencies noted the necessity for South Africa to participate in a more thorough consultation process to maximise inclusivity within the Just Transition, while some emphasised the risks of the JET for energy affordability and access.

The need for a meaningful consultation approach was heightened by Eskom's low capacity to deliver energy security to South Africans and the consequent current electricity crisis. Discussions and inputs by all constituencies were permeated by the electricity crisis, which has sharpened the need for and focus on justice and social inclusion. Hence the process initiated by the Presidential Climate Commission, at the request of the Presidency, to consult further on an inclusive JET-IP was widely welcomed, with many constituencies welcoming the idea that the JET-IP is a living document that will be amended over its lifecycle.

“...the JET IP is critical, and it is not only a “steppingstone for the just energy transition” nor just a “catalyst” but that it should be considered a bold signalling initiative or a flagship Just Energy Transition initiative, of a hopeful future characterized by positive social, economic and environmental outcomes for all South Africans.” (Civil Society)

As much as there has been an urgent need to produce a timeous and efficient JET-IP, the commitment to inclusivity and not leaving anyone behind has also meant that the Presidency, through the PCC, has prioritised the aim of ensuring a deeper and procedurally just consultation process. The consequent

JET-IP should be viewed as a published high priority plan rather than a draft report. However, it is also founded on the assumption that it should remain a living document and hence be continuously open to adaptation as conditions require going forward.

### **The PCC's response**

Following this feedback, the PCC reconfigured the dialogue process to hold two dialogue events for each constituency: i) a briefing, or information session, and ii) a consultation session. The consultation sessions were typically held two to four weeks after the information sessions (to enable stakeholders to consult with their constituencies as well as develop considered responses) with the exception of Business, where the formal consultation followed a week after the information session. Business organisations indicated that they had been engaging with the issues of the

just energy transition, and did not require such a long period prior to the consultation session.

The adjustment in consultation methodology allowed constituencies to be adequately briefed on the Presidency and PCC's forthcoming and living plans, through an information sharing session, with time to prepare for the consultation. A closed consultation was conducted with Labour following the prior, open information session and at this constituency's request. Closed sessions were also held with individual government departments.

On the question of thematic consultations, the PCC is currently planning a dialogue on the topic of energy poverty. Furthermore, the PCC has noted the significant level of discussion on the issue of industrialisation (discussed later in this report). Positions were put forward by most social partners on the role of the energy transition in South Africa's industrialisation policy, and in particular acknowledged the importance of achieving a scale of industrialisation required to ensure economic development and employment. The role of green hydrogen and electric vehicles in this policy area needs to be more clearly articulated by government and the relevant industrial sectors. The PCC therefore proposes to conduct a thematic consultation on green and just industrialisation in addition to that for energy poverty. These will form part of the dialogue process as the PCC moves their attention from electricity planning to energy planning as a whole (the remainder of 2023).

All constituencies perceived these methodological issues to be critical foundations of procedurally just consultations.

## **2.2. Scope and prioritisation**

Both the scope of and the current priority investments outlined in the JET-IP came under significant scrutiny and across the JET-IP's spectrum from all constituencies. This has highlighted the need to comprehensively reconsider the scope and priority investments of the JET-IP, as outlined below under the sub themes of:

- Alignment with the Just Transition Framework
- Energy ownerships models and privatisation
- Skills development
- Grid capacity
- Industrial policy and the JET-IP
- Corruption, Theft and Vandalism
- Municipalities

### **Alignment with the Just Transition Framework**

Constituency calls for strengthening the justice component in the JET-IP were pervasive throughout the consultation process.

"We should not embark on a process in the name of the transition that then imposes costs on people" (Civil Society)



For some constituencies – primarily civil society and labour – strengthening the justice component involves the development and inclusion of **explicit social ownership models** with community ownership cited as a priority among these. Within this context, **land-use and ownership** came under considerable scrutiny. Many stakeholders called for mining land rehabilitation to enable livelihoods and livelihood diversification. Some constituencies considered land ownership as being central to the social ownership models for renewable energy investment. Specifically, Civil Society highlighted that renewable energy development needs considerable land and that communities could benefit from land lease arrangements between the community and the renewable energy project developer. It was however also noted that such arrangements and benefits can only arise if South Africa's land issues are addressed concomitantly with the JET-IP (and electricity planning). Addressing land ownership and use issues could include but is not limited to implementing existing legislation that requires mine land rehabilitation, until now a largely unenforced legal requirement.

"The current approach to justice is 'trickle down'". Civil Society

For example, Civil Society highlighted that renewable energy projects require considerable land area. This provides an opportunity to include communities in the development through land lease arrangements and as well as potential for equity inclusion. This will require land issues to be addressed in the course of the just energy transition. Regulations governing mine rehabilitation must be reviewed and the existing regulations must be enforced, with community participation in this process being made central to this programme.

"The Just Transition must be about systems change that transform relations of power" (Civil Society)

While all groups have been in favour of the JET-IP kickstarting neglected mining land rehabilitation, local communities are concerned about the land use impacts of

such processes, as outlined above, within the broader requirement for rehabilitation of mining land for alternate livelihoods. The JET-IP therefore needs to demonstrate that it is cognisant of these issues and that it explicitly seeks to address the incorporation of local communities in the process of mine land rehabilitation and in their participation in the benefits that follow rehabilitation. Research shows however that consideration must be given to the practicalities of differentiated uses and repurposing activities. These are briefly outlined in Box 1 below, which briefly captures key points made in the body of research that surrounds mine land rehabilitation in South Africa.

#### *Box 1. Research perspectives on mine land rehabilitation and repurposing*

Rehabilitation of mining land is a multi-year process, but repurposing mined land for renewable energy production is a quicker process than for agricultural production as the latter requires many years of intensive regeneration activity to restore agricultural fertility. Mined land that has been rehabilitated in accordance with best practice standards, will still have decreased land capabilities as some effects, such as soil loss will be present for several years following the rehabilitation process (Slater, D. 2017; Limpitlaw et al., 2005).

Transforming mined land that is contaminated and abandoned (brownfields) into land that can be productively used for renewable energy generation, such as for solar developments (brightfields) can provide an economic opportunity and relieve the financial liability for the longer-term and more scientifically intricate process of rehabilitation for agricultural production (K'oyoo et al. 2022; Kuehl & Church, 2022).

All groups expressed major concern with the damage that the electricity crisis is causing to **economic activity**, with particular impacts for jobs and small enterprises. Small and medium enterprises often cannot afford to install small scale embedded generation (SSEG) facilities to mitigate loadshedding. Stakeholders perceive that jobs are being lost as a direct consequence of the electricity crisis and that there is a decline in the survival rates and productivity of micro, small and medium enterprises (MSMEs). This issue of economic and social loss was highlighted by all constituencies, and almost all stakeholders demanded that economic loss, and particularly jobs and enterprises, be urgently addressed in forthcoming versions of the JET-IP, including through social protection investments.

“Access to affordable electricity is correlated with economic development. The JET-IP must understand that access to electricity is really important.” (Local Government)

Civil Society groups recommended that the JET-IP build on the understanding and solidarity that is growing between communities, workers and activists. These groups highlighted that workers are not only those with formal jobs who belong to trade unions but that they also include street traders, waste pickers and food gardeners, etc.

Discussions on the broader and wide-reaching issue of **energy poverty**, further entrenched this theme of concern for the poor and unemployed feeling the brunt of the electricity crisis. Energy poverty was the subject of extensive discussions (and written stakeholder comments), mentioned earlier in this report as requiring a discrete thematic discussion with all social partners. The impacts of the current electricity crisis are felt by all the social groups in different ways, and calls for addressing energy security as well as energy poverty were made by almost all the constituencies.

Many stakeholders specifically mentioned the need to address energy poverty through revising and enhancing the existing energy subsidy model for low-income groups (free basic electricity, or FBE). Some constituencies went further, highlighting the need for enabling low-income households to have access to SSEG in the JET and for social models and investments include SSEG subsidisation for low-income households and small businesses. Others raised the need for strong and explicit localisation models in the JET-IP that are designed to benefit small businesses and stimulate new job opportunities and enterprises. Addressing energy poverty is considered a high priority by most constituencies. As previously mentioned, energy poverty was widely discussed by civil society, including Faith and Youth, as well as labour and local government constituencies.

“If we are to say “no one will be left behind” we must expand the impact of JET not only being for workers and communities, but include contractors, good and services suppliers, logistics industry, informal sector, etc” (Business)



Such concerns go beyond the immediacy of the electricity crisis and also resonate

“This is not a case for slowing down the transition, but a case for serious and honest upfront commitment of financial and other resources to support these workers and coal-affected communities.” (Civil Society)

with expressed calls for ensuring that both middle- and low-income groups are inclusive to the JET (and to longer term electricity planning). The risk of the energy transition for municipal revenue models was a primary driver behind Local Government and Civil Society

considerations of the role of municipalities in energy generation. On the other hand, an increased role for the private sector was on the minds of Business. Business highlighted an important role for municipalities to procure renewables through the Independent Power Producer (IPP model). Changing consumption patterns, were widely understood to be a result of the electricity crisis. Some groups (Civil Society, Local Government) feared that as SSEG expands, municipal revenue models will be at risk and that this will ultimately threaten the ability of the municipality to deliver its constitutional mandate.

Local government is deeply concerned that its traditional revenue model, which is largely electricity sales dependent (albeit to varying degrees among South African municipalities) is at threat under the current version of the JET-IP. Local government expressed considered concerns that the only way they can survive the electricity crisis, and the JET, is by generating electricity themselves or through Independent Power Producers (IPPs) and *selling this to their customers*. However, as articulated by civil society and labour constituencies, the energy generation models adopted by local government cannot only be beneficial to the middle class and should not be exclusionary to poorer households and businesses. The role of local government in the JET-IP was deeply interrogated by both local government and civil society groups, to some extent by business, and in a differentiated manner by labour (who is concerned with perceptions that privatisation will result, as discussed next in this section). Municipalities are therefore also discussed in a separate section, 1.2.3., later in this report.

“We are worried that the JET-IP does not cover the fact that municipalities have to engage with generation. That seems to be a gap. If we do not get into that game in 2023-2027 then that is a problem. We are already working with DBSA on this and we are worried that this will be killed if JET-IP does not cover this. We also need the JET-IP to deal with the balance sheet matters to allow municipalities to play a role.” (Local Government)

The global and national **climate change agenda** and the just energy transition emerged as a major concern from some constituencies (most prominently labour, as

“SA is not ready to be on the same level as the developed world. We need to focus (first) on powering heavy industries” (Faith Organisation)

well as some civil society, particularly faith groups). Specifically, groups articulated that in adjusting to climate change dynamics, South Africa should not be driven by the agenda and timeframes of the industrialised, high income countries which have been

the primary drivers of higher global temperatures, or who are better capacitated to respond to climate change. The need for South Africa to be able to continue to industrialise for economic and employment benefits was a common thread underpinning the climate change and JET discussions by many groups.

An argument stressed by Labour is that South Africa has not been responsible for climate change and that the country should not be accelerating targets for emission reductions as it has done in the 2021 Nationally Determined Contribution (NDC). (The 2021 NDC submitted to the United Nations Framework Convention for Climate Change (UNFCCC) increased emission reduction targets from the 2016 NDC submission which in turn derived its targets from the Peak Plateau and Decline (PPD) modelling

“We believe that the original 2008 timeframe to plateau emissions until 2030 was correct. That would have allowed us new coal plants.... We demand that the movement from high to low carbon emissions must happen at a pace that suits South Africa as a developing country” (Labour Union)

conducted by the government in 2008). This issue was addressed differently by other social partners, in recognition of the high carbon emissions from Eskom specifically, which coupled with Sasol as being among the global carbon majors, contributes to South Africa’s status as one of the top global carbon emitters. However, this view was not overwhelmingly projected by all social groupings, with some groups, particularly civil society, highlighting the human health issues associated with poor local air quality from coal-fired power generation, and fossil fuel-based transport.

The aforementioned debate notwithstanding, it was accepted by most groups, including most groups within Labour, that the science on climate change is clear, as well as that the causes lie in our collective modes of energy production and consumption. There were however some labour groupings that argued that the science is not clear. However, most groupings did agree that South Africa should determine the pace of its JET transition process in line with its own circumstances while ensuring that it meets its international commitments.

Some stakeholder groups raised concerns that South Africa may be focusing on a JET at the expense of considering the wider issues of **adaptation and resilience** to climate change. Stakeholders expressed that although South Africa is a major carbon emitter and therefore needs to develop and implement policies and strategies for reducing greenhouse gas emissions, the country is also experiencing the impacts of climate change. Adaptation strategies and implementation

“We have an energy shortage. We have a climate crisis. We have an unemployment crisis. Our response must respond to all three”. (Labour)

plans for building the climate resilience of the economy and society – and particularly vulnerable communities also need significant levels of investment. Some groups, mainly civil society, but also labour, highlighted that failing to strengthen adaptive capacities and build climate resilience would result in severe consequences, and this would be unjust. Job creation and energy access both lie at the heart of adaptive capacities and therefore these issues need to be at the forefront of the JET-IP.

### **Energy ownership models and privatisation**

The role of state, social models for ownership of energy generation, and privatisation

“You are privatising the energy sector – when you close a power station you replace it with an IPP. This is the state borrowing money by the state for private capital so they can maximise their profit....” (Labour Union)

was contested terrain in the energy dialogues. Some social partners, and groups within these (notably Labour) felt that the state should play a prominent role in all facets of energy delivery. While all the social partners questioned the capacities of government (including but not limited to Eskom) to deliver the JET-IP and to ensure energy security for all

South Africans, some stakeholders questioned their perception that the JET-IP will result in increased privatisation of the energy sector. While all of Labour warned against privatisation, stating that social ownership models and affordability of energy were of higher priority and critical components of an energy transition, some groups within Labour were explicit in defining the role of state in the JET-IP. One trade union that is directly affected by the JET articulated that Eskom should own 70% of generation capacity, stating that in their view, private sector investment should be contained so as to ensure the affordability of energy services. Some civil society groups expressed similar concerns that privatisation will push energy prices up, and out of reach for low-income groups. Organised business on the other hand expressed the need for increasing private sector IPPs, including through adjusting the regulatory environment to enable new generation capacity from the private sector.

“We are concerned about putting the private sector at the centre of what is claimed as a JUST transition” (Civil Society)

### Skills Development

All social partners criticised the approach and weighting given to skills development in the JET-IP. This was primarily in terms of the quantum of investment afforded to skills development, but concerns were expressed as to the approach to and investment in acquiring the scarce skills urgently needed to enable the JET.

“The plans do not take seriously the issue of skills. We see the allocation is a pittance. (Labour)

There was a general concern across all social groups that South Africa's skills base across a wide variety of

“The point has been made that we have a skills shortage. (The) budget for skills seems inadequate given the scale of the shortage and the dependence on new technology” (Business)

economic and operational activities (e.g., grid upgrading) was generally inadequate to enable an optimal JET. Specific concerns were expressed as to the time it will take to develop the local skills needed to upgrade the grid at speed and at scale, given that such skills have become scarce in South Africa. Furthermore, there was wide, general consensus that skills development is seriously under-prioritised (in terms of both cost and clarity) in the JET-IP. Some groups went as far as to imply that the low level of investment in skills development articulated in the JET-IP downgraded the importance of the plan overall.

Of particular concern to stakeholders was that the JET-IP contains a relatively low recognition of the “just” aspects of the JET, with stakeholders expressing the need for

“we acknowledge that the JET can be a driver of economic development, but if you talk to people in Emalahleni in Mpumalanga or Secunda – are we saying how we will provide support and training. What will you say to them?” (Local Government)

strategic implementation that deals with skills development to be brought to the fore. In order to ensure this, it was argued that the JET-IP needs to be integrated with overall skills funding and the National Skills Development Framework. This would require some necessary and concomitant updating of both instruments. It was also argued, in order to be

inclusive and create the necessary buy-in, that a detailed plan for skills development and the creation of transfer pathways should be developed and implemented in collaboration with key social partners –

“youth can fit in in research, development, energy awareness etc” (Youth)

for example, the youth, civil society and municipalities. Civil society and youth in particular highlighted their need and willingness to be integral to skills development planning and to the implementation pathways of this crucial aspect of the JET-IP.

### **Grid Capacity**

All social partners, with the exception of Labour, expressed concerns as to the capacity of the grid to onboard renewable energy at the requisite scale for both addressing future energy demands and the current crisis. Some stakeholders further argued that the grid does not provide equitable access to electricity for all and that there are some areas that have low or no access (particularly former Ciskei and Transkei). In this regard, many stakeholders argued that grid investments were immediately critical and that grid upgrading is central to achieving the JET. These stakeholders called for the JET-IP to make explicit and adequate provision for grid investments, perceiving this as a gap in the current JET-IP.

“How do we take account of areas with energy poverty ... where there is no infrastructure to support new energy opportunities?” (National Government)

A wide perception was that the current electricity crisis includes inadequate electricity grid capacity and Eskom having neglected grid maintenance and expansion. Most stakeholders were explicit about their perception that the grid cannot deal with current operational needs, let alone enabling a rapid and expanded onboarding of renewable energy at scale and accelerated pace. Some stakeholders articulated practical interim measures to address the grid crisis, for example by expanding power generation from existing power stations through utilising gas and that this solution should be integral to plans for grid upgrading (business and

civil society) Including a clear focus in the JET-IP on grid capacity and expansion is considered by most social partners as a very high national priority.

### **Industrial Policy and the JET-IP**

All stakeholder groups discussed South Africa's the JET-IP, or aspects thereof, vis-à-vis their perceptions of the country's industrialisation prospects and pathways. Investment priorities for renewable energy, electric vehicles and green hydrogen came under scrutiny in this regard. Some groups, particularly labour, argued that industrialisation objectives are paramount and that the JET should not compromise related prospects and employment. Most stakeholders argue that industrialisation continues to be critical to economic development and employment, but that there are perceptions vary as to the pathways for industrial development, with geographies across the country having differentiated priorities.

### **Electric Vehicles**

For Gqeberha, a centre for the automotive industry in South Africa, sector stakeholders argued for electric vehicles (EVs) to be central to the area's economic survival, critical for protecting and transitioning jobs and enterprises. EVs was prioritised over green hydrogen (GH<sub>2</sub>) by almost all the social groups. This was primarily because of the high number of existing jobs in the automotive sector which produced for both the domestic and export markets (but relies heavily on export markets to sustain the industry). Stakeholders articulated that the automotive industry has well-established value and supply chains, and that the automotive component manufacturing sector is well established with small and medium enterprises that create thousands of jobs. EVs were also supported because of their contribution to cutting carbon emissions and reducing air pollution, with concomitant human health benefits. The inclusive aspects were also a major priority through stressing that any EV roll out should have a strong focus on producing and utilising EVs for public transport, while there are also perceived applications in large industry, such as mining.

"In Nelson Mandela Bay the Just Transition challenge is not coal to RE jobs, but the transition from ICE to EV, particularly in the downstream component industries" (Business)

### **Green Hydrogen**

Green hydrogen (GH<sub>2</sub>) did not feature as a high investment priority for any of the social groups' priority list. While each social partner and stakeholder group questioned GH<sub>2</sub>, their questions and arguments varied, pointing to the need for a discrete thematic dialogue (included under an industrialisation discussion) with all social partners. In summary, the issues raised on GH<sub>2</sub> were significant (see figure 1 below)

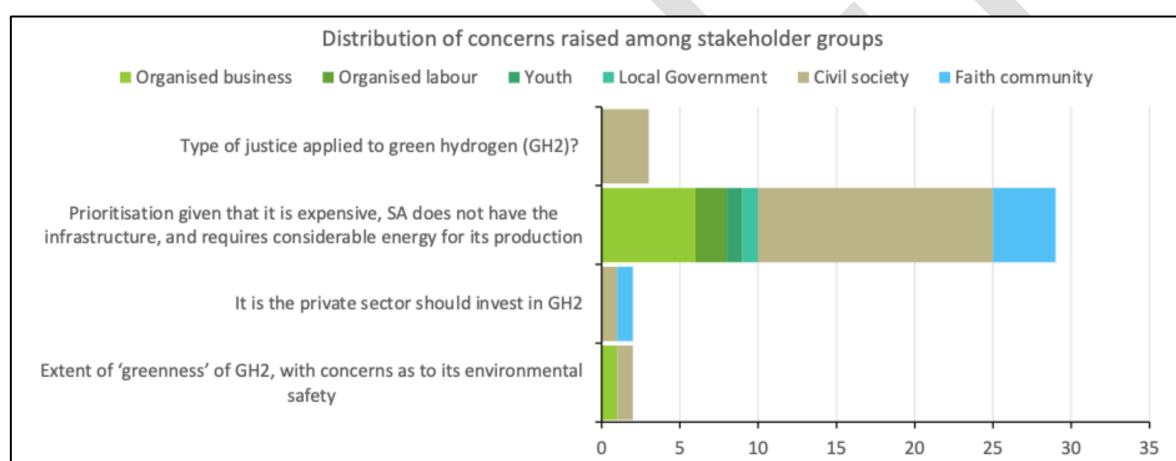
"We strongly recommend prioritising the use of sustainably developed renewable energy, locally manufactured and community-owned, for local purposes to address energy gaps and provide internal resources rather than for export." (Civil Society)

and it was evident from the consultations that stakeholders across the board need to see a much stronger rationale for this investment priority, while the social partners also wish to be a party to developing this rationale.

For civil society, it was also not clear as to how any plans for expanding GH<sub>2</sub> would relate to the justice component of the JET. However, all groups concurred that given

the large investments required, if GH<sub>2</sub> was to be a focus then the private sector should be the investor, and bear the financial and project risks, rather than the state. In particular, most stakeholders opposed the use of scarce grant finances towards this programme. There was also consensus about the unavailability of the required infrastructure in South Africa – which would also require significant and potentially expensive investments. Furthermore, there was strong agreement that the need to use renewable energy to produce GH<sub>2</sub> creates a conflict in an already energy scarce and compromised country. Those that raised this argument, argued that renewable energy needs to be targeted toward solving the current electricity crisis, while also meeting future, ongoing demand. PCC Commissioners explained that if South Africa was to pursue GH<sub>2</sub> then it needed to be an early mover or not waste resources trying to be a late player. It was also acknowledged that perhaps GH<sub>2</sub> could address Sasol's need for alternative pathways in the energy transition.

Figure 2. the range of concerns raised on GH<sub>2</sub> among stakeholder groups



## Energy Efficiency

Energy efficiency and demand side management (DSM) arose in the discussions although it is not articulated in the JET-IP as an investment priority. Some stakeholders commented on South Africa's low uptake of energy efficiency solutions (e.g. civil society), and a range of options were discussed. Some stakeholders within business, as well from the civil society and local government groups highlighted that energy storage – “battery storage is a powerful DSM tool” – needs to be leveraged in order to attract private sector investment. Other groups within business argued to the contrary, stating that battery storage technologies are nascent and expensive, while other business stakeholders articulated the efficacies and applications of this technology, and cited reducing costs. Some groups felt that the JET-IP should clearly reflect battery storage as part of its network development plans.

## Corruption, Theft and Vandalism



“The issue of good ethical/moral leadership seems to be the greatest challenge. How are ... (we) ... going to address the issue of good governance and leadership” (Faith Organisation)

This was a major issue addressed by all social groupings. There was wide and deep consensus that addressing corruption and theft must fall within the scope of the JET-IP. This was not least because of the threat of corruption, theft and vandalism to the very investments that JET-IP seeks to realise. All groups

stressed that this issue is systemic, widespread and deep, and that addressing it requires a high prioritisation by government as well as within the JET-IP. Groups called for a discrete financial allocation within the JET-IP coupled with a systematic plan designed to address corruption, theft and vandalism, bring them under control, and finally eliminate them.

“...public sector capacity has been severely damaged by high levels of financial mismanagement and excessive profiteering...” (Labour)

## Municipalities

It was apparent from the consultations (especially hearing the voice of the local government sector) that the role of municipalities must be addressed at a much greater level of granularity than is currently the case (Local Government is primarily envisaged in the JET-IP as playing a network and distribution role). As discussed earlier in this report, Local

“we are worried that the JET-IP does not cover the fact that municipalities have to engage with generation.” (Municipalities)

“The infrastructure maintenance backlog and the cost of a new generation model and grid cannot be funded largely by local government .... needs to be an external source of funding. The current model will never pay”

Government widely articulated that municipalities will not survive without being enabled to generate their own power. Business articulated the need for their role differently, arguing that increased IPP generation should be enabled at the municipality

level to effectively manage distributed generation in areas that have abundant renewable resources. This is especially the case for the metropolitan municipalities, some of which present good financial standing. Municipalities need to be able to contract IPPs and to expand the role of SSEG at a commercial and residential level. Such efforts will substantially increase the level of private sector investment under their governance control (an issue contested by labour and some civil society actors as discussed earlier in this report).

“We must remember that water and sanitation infrastructure is in a mess. We must consider how these things connect” (Municipalities)

Municipal infrastructure and energy security investments are hence a critical component of any energy transition, and the JET-IP has to fully incorporate these aspects. The energy-water infrastructure nexus was also a major concern for municipalities, since it was exacerbated by electricity crisis and the impact of load shedding on their ability to maintain and manage delivery of sustainable water and sanitation services.

It was felt that the critical role and nature of municipalities was not recognised in the JET-IP process. The following was identified as being necessary:

- Investment needed at municipal level to build capacities and to address

distribution maintenance backlogs - the Equitable Share Grant could be used for the maintenance backlog

- Consider interventions needed to allow municipalities to invest in functional distribution networks
- Consider how municipalities can address MSMEs
- The role of municipalities needs to be more clearly and comprehensively articulated in the electricity section of the plan, including battery storage, and generation, among other aspects. The current JET-IP only focuses on municipalities in terms of distribution and not generation
- Investments are needed in the JET-IP to capacitate municipalities in the future of energy delivery in South Africa

Unlocking municipal regulations to enable their procurement of private sector NewGen capacity is critical. This however requires streamlining regulations, incentives, and providing support for smart grid investment. Municipalities currently do have a pipeline of projects that are Council approved for financing/funding through MTREF capex and Opex budgets. These need to be fast tracked and the JET-IP can play an important role in this regard.

### 2.3. Time Frame and Financing Terms of the JET-IP

#### Timeframe of the JET-IP

Most stakeholder groups questioned the timeframe of the JET-IP (currently framed as a five-year investment plan) with differences of opinion regarding the weight of this issue. It was generally felt that South Africa should transition at a pace it can afford and coupled with an industrial strategy that will drive employment creation and economic growth, including through beneficiation. The timeframes of the

“Can the money from the G20 Just transition loans be kept out of ESKOM and pushed into pioneering new decentralised local systems? Eskom has been shown to already be corrupt and inefficient so won't that money just disappear” (Faith)

“Business is ready to come to the party, but government needs to put incentivisation and regulation in place to make an enabling environment. Feeding back onto grid and municipal coordination and governance” (Business)

JET-IP were considered by many to be unrealistic since time is needed to plan and implement its details properly, and in conjunction with the need aligned industrial policy. It was also argued that South Africa's energy security must come before mitigation. Hence the transition should not be rushed. The problem was that theft and corruption are slowing the transition AND worsening the electricity crisis, and this has to be addressed if the JET is to be at all possible.

Some social groupings (notably labour) felt that South Africa is being forced by big polluting countries to make a more rapid transition to renewable energy than is tenable.



Others argued that South Africa is in fact a major contributor to global warming. Eskom and Sasol are major carbon emitters at a global scale. Sasol is one of the 100 global companies that have caused more than 70% of all global carbon emissions.

### Financing terms

All social partners questioned the financing terms of the JET-IP, calling for greater transparency, and raising concerns as to the costs of finance in an already burdened fiscal system. Civil society particularly recommended that funding and reliance on climate finance must be realistically considered.

Local government called for a more detailed breakdown of the allocation of the R319 billion for municipalities, given their importance in the JET. Calls were for a breakdown in terms of its constituent parts of sourcing and instruments. In addition, most stakeholders called for the promised \$8.5 billion climate-finance deal being offered by wealthy nations on bolstering its energy supply needs to be clarified in terms of how it will be leveraged to raise the additional large-scale finance needed for the energy transition.

All groups, aside from Business, highlighted that the grant component is highly

“While loans can be an effective way to fund large-scale infrastructure projects, they also come with a significant financial burden for the country.” (Civil Society)

inadequate, especially for funding the “just” aspects of the plan. These social partners strongly emphasised the just transition alignment aspects of the JET-IP. These groups raised serious concerns that

the just transition has been inadequately addressed in the JET-IP, as has been raised earlier in this report. Concerns were raised as to the lack of clarity on the nature of the grant funding – what it is to be used for and how could municipalities access this grant funding for example. Most groups also questioned the conditionalities associated with the concessional loans, stating that the terms of these loans are not clear, and that the country likely cannot afford this additional debt burden. Full disclosure is required in this respect and by all groups. In terms of risk sharing, it is unclear, and clarity is required, on the extent to which risks are adequately and equitably shared between the public and the private sector.

“...we have not fully tapped into domestic funding sources and that this should be prioritised before any new commercial loans are considered for the transition.” (Labour)

Other issues pertain to the national risk of a privately dominated renewable energy sector – is this likely to impact on affordability? Will electricity prices rise due to increased usage of expensive technologies, or will these lead to price decreases as has been the case so far? How will Eskom’s massive debt burden be dealt with going forward? Questions were also raised as to whether blended finance arrangements are likely to fragment the JET-IP.

“a just transition must enable that everyone is guaranteed access to a minimum amount of electricity...” (Civil Society)

“...we would like to ask the government to explore alternative funding sources to ensure the transition is sustainable and does not burden the country's finances.” (Civil Society)

Finally, at the moment it appears that the JET-IP only envisages providing finance for the private sector engaged in the energy transition. What about also providing investment for state entities where this is

required and is in harmony with the aims and objectives of the JET-IP? The latter obviously raises questions about how financing arrangements through the JET-IP will be reflected in the South African government's national budget?

## **2.4. Institutional arrangements and capacities**

The topic of institutional arrangements to ensure the JET-IP was provided with sufficient capacity was a major subject of concern and focus. Discussion centred around a number of issues: Capacity to implement the JET-IP as a whole, capacity to implement its Plan, privatisation and ownership models, the need for a JET-IP implementation plan and what it should contain, oversight and governance arrangements including anti-corruption measures, and monitoring and evaluation.

### **Capacity to implement the JET-IP**

There was consensus that governance must be strengthened in order to ensure that proper implementation occurs. This included clarification on the roles of different spheres of government. Ministerial oversight over the JET-IP also needed to be clarified - for example, which Minister is to have primary oversight over its operations? All agreed on the need for a JET-IP implementation Plan although there were differences on the specifics of what it should contain. The JET-IP also needed to be understood as a living document and it needs to be structured so that it can respond to a changing policy and institutional space.

There were low levels of confidence as to how implementation of the Plan will be realised. Consequently, Government and business should identify collaboration pathways for implementation, and these should be made explicit in the plan. Given the envisaged role of municipalities, their capacity should be strengthened. In terms

“Communities and the faith communities are at the centre of the transition, they are eyes and ears of SA ..... This group plays a critical role in tracking and reporting on the impact of the JET IP” (Civil Society)

of inclusivity the roles of the social partners in JET-IP implementation arrangements need to be made clear and explicit. Civil society felt that it could be the eyes and ears of the JET. It could also play an important role in monitoring and evaluation as well as helping

in implementing the skills development component of the JET-IP as well.

### **Oversight and governance arrangements and anti-corruption measures**

Generally speaking, there was agreement amongst all social groupings that robust governance, management, M&E and learning frameworks that allow public transparency needed to be incorporated in the JET-IP Implementation Plan. The Plan needed to incorporate appropriate scaled

“Criminality, as mentioned previously, is systemic. Public transportation, illegal mining. Electricity infrastructure falling apart and lack of skilled workers to fix it.” (Business)

solutions to counter ongoing large and smaller scale theft and corruption.

Finally, organized business, civil society and faith organisations concurred that in terms of the JET the DMRE was mired in conflicts of interest insofar as it had dual responsibility for developing the “mineral resources and energy sector so as to promote economic growth and development and social equity...”. The problem for the JET was encapsulated in the fact that the DMRE defines mineral resources and energy as one sector. Decoupling would limit the department’s conflicting interests in developing coal mining and also achieving a net zero carbon pathway. The various groupings were uncertain whether the new Minister of Electricity would provide a possible solution.

“How does the JET impact the work of the Minister of minerals and resources – this dept is still pushing coal and further gas exploration” (Faith)

## **2.5. Monitoring and Evaluation**

Monitoring and Evaluation was essential, but it required establishing a transparent and accountable infrastructure for managing and reporting on the process of JET-IP implementation. Municipalities and civil society argued they could play an important role in oversight, monitoring and tracking.

“Allocations are always (for) things like substations and cabling but not monitoring and control.... This is often ignored as it is not seen as expending services. But this is essential for a smart grid.” (Local Government)

## **3. JET-IP and Electricity Planning**

Most stakeholders did not distinguish between the Electricity Plan and the JET-IP in delivering their comments and observations. They took it as a given that the Electricity Plan and the JET-IP are interrelated, with some seeing the JET-IP as leading into current and future iterations of South Africa’s electricity plans and policies. This is an issue that needs to be addressed and further clarified with the various social groupings. For example, Labour and some Civil Society organisations felt that the JET-IP should put in place long term commitments (beyond its current 5-year focus) on issues such as privatisation. Local Government and some civil society organisations likewise argued that local government should be engaged in longer term and meaningful participation in electricity planning (i.e. not limited to distribution) while they also argued for a clearer local government role in the JET-IP that includes generation and is not limited to energy distribution.

### **Validity of the electricity planning and JET-IP instruments**

While all social partners sought to make inputs on both electricity planning and JET-IP recommendations, some Labour groups went as far as to call for the dismissal of both instruments on the basis that they could not be founded on the core just principles to the JT Framework. They argued that fairness is not apparent, noting that although they

are not against the transition per se, they object to one where South Africa carries the burden for rich countries. Some labour groups argued that the electricity planning and JET-IP instruments have been influenced by powerful global actors which have established the targets and adaptation pathways on South Africa's behalf. Moreover, these groups argued that South Africa lacks the resources for managing the costs of climate change impacts, many of which have already been seen and are not all because of this country's emissions.

### **Green Hydrogen and Electric Vehicles**

Other overlaps between electricity planning and the JET-IP arose in discussions on emerging sources of electricity that are nascent in terms of policy, investment and infrastructure in the South African JET, industrial and electricity policy. While these sources, particularly GH2 and Electric Vehicles (EVs) may become part of South Africa's electricity mix in the future, it was evident from stakeholder inputs that further work needs to be undertaken before this can happen.

In terms of GH2, a mixture of confusion arose among all the social partners about what it meant, hesitation about whether it would foster localisation or not, uncertainty whether the private or public sector would be expected to drive investments and GH2 developments, and concerns about the potential cost of infrastructure, and the location of such plants given large scale water and renewable energy resource requirements. GH2 did not therefore feature as high on any social groupings' priority list. All groups raised issues and concerns with GH2, although mainly in the context of the JET-IP which had articulated GH2 as a priority investment. Nonetheless, the concerns raised will need to be considered if GH2 were to be included in South Africa's future electricity or energy mix. This includes addressing perceptions around priorities, with Electric Vehicle production having been considered by some social partner groups as being a priority over GH2.

**Electric vehicles** (EVs) were prioritised over green hydrogen (GH2) by some social groupings, particularly Business and Civil Society. This was primarily because of the high number of existing jobs in the automotive sector producing for both the domestic and export markets. These groups identified that EVs can potentially assist with creating sufficient mass public transport as well as with heavy industry transport, such as in the mining sector, but that they also require clear government policy, planning & investment. Some of the stakeholders that discussed EVs, saw this as a priority investment over GH2 (again, this was discussed largely in the context of the JET-IP. EVs were also supported because of their contribution to cutting carbon emissions and air pollution. The inclusive aspects were also a major priority through stressing that any EV roll out should have a strong focus on local production. Strongest support for a transition from petrol driven motor cars to electric vehicles in the JET came from local government. Municipalities argued that EVs provided a potential solution to the mass transport problems they were facing, as well opportunities for revenue generation in setting up a network of public charging stations.

"In Nelson Mandela Bay the Just Transition challenge is not coal to RE jobs, but the transition from ICE to EV, particularly in the downstream component industries" (Business)

## 4. Synthesis recommendations

The following recommendations have been synthesised from the various integrated energy consultations and written inputs. These will be revised as informed by the outcomes of the PCC-convened Colloquium to be held on the 14<sup>th</sup> April 2023.

**The role of the state in South Africa's electricity governance models requires a thorough review.** Paramount – because each and every social partner raised this – is that government greatly strengthen the architecture for transparency and accountability. The JET-IP should include an explicit provision for an investment in infrastructure for transparency and accountability. Stakeholders were widely of the view that the absence of this architecture, and of government confronting corruption, theft and vandalism, the electricity transition, and particularly the just transition, will not be possible. Robust, credible and transparent governance arrangements and implementation pathways should be elaborated and co-developed with the various social partners. Lastly, ministerial oversight and the role of the DMRE should be clarified with concomitant recommendations for resolving perceived issues of conflict in the current form of the DMRE and NERSA mandate.

The desired balance between state ownership and management of South Africa's electricity and energy assets, and energy sector privatisation needs to be clarified and agreed with all the social partners. Issues of capacities for implementation (of the JET-IP, and of electricity planning outcomes), electricity access and affordability, optimal localisation outcomes, job creation, and energy security all need to be addressed by government who should not retreat from its role for protecting energy and electricity as a public good.

Furthermore, the role and positioning of local government in the JET-IP should be strengthened and clarified. The role of municipalities needs to be completely re-envisioned. The role of municipalities should extend beyond their current role in the distribution network to include a clearly articulated role in electricity generation. Local government capacitation must be an integral component of the JET-IP. This recommendation should also be factored into the process for clarifying government and private sector participation in the energy sector. Finally, the financial models under which local government operate need serious consideration, especially as electricity systems transition and the just energy transition evolves.

**Government and other social partners should collaborate toward aligning South African policies and plans that are of high relevance to the energy and electricity sector.** South Africa's energy and electricity planning industrial development policy and implementation and skills development policies and plans must be aligned. Furthermore, implementation pathways and partners should also be aligned. Such alignment is critical to realising positive outcomes for justice – as required by all stakeholders - across all three of the Just Transition Framework principles of procedural, distributing and restorative justice.

**The Just Transition is given insufficient focus in the JET-IP.** The justice elements should be greatly strengthened, to show clear alignment with the principles and scope of the JT Framework. Specifically, social ownership and protection models, incentives and subsidies, electricity access and affordability, job creation and enterprise development, and skills need to be rigorously addressed in the JET-IP.

**Positive outcomes for social justice should be made a priority target of the JET-IP.** This is of particular concern in plans and processes for decommissioning coal fired power plants (along with protecting jobs and transferring skills). Positive human health outcomes will both significantly improve social well-being of affected communities and relieve the associated burden on the public health system. Achieving these human health outcomes will also nudge South Africa much closer toward its decarbonisation targets which will evidently bring important national benefits as well as for the global community which South Africa is a part of.

**The scope and prioritisation of the JET-IP needs to be reworked.** A balanced and clear rationale for priority investment pathways should be further developed and articulated with relevant social partners. The JET-IP should reconsider, or clearly argue the prioritisation of GH2. Furthermore, the JET-IP may need to reconsider the prominence given to Electric Vehicles given the risks facing the automotive sector.

**The cost and type of finance in the JET-IP needs to be reconsidered** to address concerns that finance is too expensive. With this, there needs to be much greater transparency around the terms and conditions of finance in the JET-IP. Furthermore, the grant component of the JET-IP needs to be increased. Grants should be targeted toward achieving justice in the energy transition and through the JET-IP investments.

**Skills development and transition is a critical issue.** All stakeholders commented on the need to transform the existing tertiary and vocational skills system, and for the available resources to be aligned to the just transition and the JET. Skills pathways and funding for skills development and skills transfer must be thoroughly reviewed and articulated in detail, with budget allocations and partnerships (e.g., with Civil Society) for their implementation. Skills development arose largely as a JET-IP issue because it is articulated as an investment area in this plan. Most stakeholders however raised issue with the level of investment accorded to skills development in the JET-IP, calling for a much greater investment in skills development and skills transfer in the JET.

**The JET-IP lifecycle should be extended to ten years** and include regular review intervals to ensure its status as a living document. With this, the argument for accelerated investment in green energy must be made clearly to mitigate views that South Africa is transitioning at a pace it cannot afford, and which compromises social justice.



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## Annexure 1: JET-IP SH Perspectives

The PCC's engagement with key social partners in South Africa on the issue of the JET-IP yielded a range of valuable insights and concerns. Due to the centrality of stakeholder engagement in the PCC's strategic approach to the development and finalisation of the JET-IP, capturing these stakeholder inputs is of fundamental relevance.

The inputs themselves typically fell across a range of core themes:

- **Methodology and procedural justice for consultation**
- **Scope of, and prioritisation in, the JET-IP**
- **Timeframes and financing terms**
- **Institutional arrangements and capacities**
- **Monitoring and evaluation**

This annexure offers a summary overview of the more salient points of insight and contention which emerged from each individual engagement, grouped loosely within the themes presented above. Note that these summaries are intended to capture general sentiments shared by stakeholders and stakeholder groups, and therefore do not necessarily highlight individual inputs or comments.

*Some of the key, cross-cutting comments which emerged across nearly all social partner consultations are as follows:*

1. The transparency and inclusivity of the PCC's engagement process was lacking.
2. The urgency of the current electricity crisis was not emphasised enough.
3. There was a concern about the systemic nature of corruption in South Africa and the effect this would have on the implementation of the JET-IP.
4. The funding arrangements of the investment plan were indicative of a lack of country ownership and the potential for a loss of monetary sovereignty.
5. The apparent move towards electricity privatisation and new ownership models elicited strong but varied responses across social partner groups.
6. There was not always a clear understanding of the difference between the JET-IP and the Electricity Plan as presented by the PCC Secretariat and this seriously impacted the value and coherency of stakeholder feedback.

### 1. Business

Engagement with the Business sector highlighted several pressing concerns about the capacity of government and local institutions for actual JET-IP implementation, as well as the state of the legal and economic enabling environment in South Africa more broadly.

On **Methodology and procedural justice for consultation:**

- Participants requested greater transparency regarding key documents and especially with regards to the risk profile of the JET-IP.



- Another suggestion was for the PCC to include in its information packs explanations of baseload (old systems) and variable supply/wheeling (new systems), as well as daily demand/supply profiles that match South Africa's sun/wind supply relatively well. This could demystify the idea that because the "Sun doesn't shine at night and the wind doesn't always blow" RE is not feasible.

Some points related to **Scope and prioritisation** which emerged:

- Proper skills development will be a key factor in the success of the JET-IP, not only due to South Africa's general skills shortage, but also with regards to the reskilling of workers across sectors for the shift towards a low-carbon economy.
- Similar to the above point: alignment with the just transition framework must be prioritised, especially if the JET-IP is to meet the ideal of "no one will be left behind". Specifically, training, skills development (re-skilling, upskilling, etc.) must all be emphasised in order to ensure that job creation outweighs job loss over the course of programme implementation.
- Serious focus must be directed towards the mitigation of corruption and theft at all levels, but particularly within government and across related value chains. This includes expanding on specific recommendations within the JET-IP document.
- Regulatory surety with regards to NEV's is going to be crucial as several of South Africa's key export markets begin to look for competitive options across Africa and the developing world.
- Participants noted the "consumption focused" nature of the JET-IP and offered thoughts on a plan which rather seeks investment commitments in localisation of renewable energy manufacturing capacity – in line with South Africa's NDCs.
- On green hydrogen, the Business group bemoaned the possibility of only exporting the resource. This is in line with concerns raised in the Local Government consultation as well.
- Participants noted the potential for job creation in the move towards green fuels, however, they voiced concern regarding the short- and medium-term nature of the skilled work, while the long-term work would be mostly unskilled (low-level maintenance etc.)
- Participants also noted the recycling opportunities that may arise with wind turbine disposal.
- Along with this, speakers raised the possibility of South Africa becoming a manufacturing hub for renewable energy technologies
- Speakers noted the potential for rural development through implementation of the JET-IP – this could be realised through solar farm projects and the like.

- According to some participants the JET-IP does not properly emphasise the need to create long-term economic growth as opposed to just jobs in the short-term
- An argument was made for the NEV focus of the JET-IP to deal more with public transport and large trucks as they contribute most (in terms of vehicles) to global emissions.
- Special focus must be directed towards supporting MSME's especially due to their low capacity to respond to crises.

On the **Timeframes and financing Terms:**

- The funding arrangements as outlined by the JET-IP seem to indicate a loss of control and direction by South Africa – or more specifically, a lack of country ownership.
- Setting clear milestones for JET-IP implementation (every 2 to 5 years) will be crucial especially when it comes to dealing with highly complex value chains – such as those which deal with RE, green hydrogen and other alternate energy sources. This also relates to timeframes in general as the Business group highlighted the significant delays that occur in the private sector when it comes to getting large infrastructure projects off the ground.
- Questions and potential solutions were raised with regards to government's ability to leverage existing funding pools over solely relying on foreign investment.
- The transparency of funding arrangements was routinely criticised by stakeholders – although the PCC reiterated its commitment to sharing all data and information where legally possible.
- The allocation of funding for green hydrogen was red flagged due to the resource's perceived lack of efficiency and its nascency as an industry within South Africa and the world. Further, concern was raised regarding the disbursements of funding for green hydrogen and NEV initiatives, particularly when it comes to ensuring money does not flow only to a few big players.
- One quotation in particular highlighted a common sentiment amongst not only the Business group but also the Civil Society and Labour partners as well, which is that the financing terms seem to be *“socialising the risks, and privatising the profits”*.

Some points related to the **Institutional arrangements and capacities** which emerged:

- National government demonstrates a seemingly perennial aversion to ringfencing – potentially posing significant risks for future project implementation.
- The South African business environment is fraught with risk, and this means the nature of private sector's involvement in the JET-IP must be clarified – whether relating to implementation, investment, ownership or governance.

- There is a clear need for a JET-IP *implementation plan* which firmly maps out timeframes and relevant milestones.

In general, while the Business group did raise key concerns regarding the JET-IP, there was also a clear acknowledgment of the opportunities the plan's successful implementation could present. Although this would ultimately be contingent on transparent, coordinated cooperation between Business, Government and all social partners.

## 2. Civil Society

The Civil Society engagements yielded comprehensive feedback on both the process of consultation and content of the JET-IP. Importantly, Civil Society partners acknowledged the necessity of a just energy transition plan and commended the government on its recognition of this necessity.

In terms of **Methodology and procedural justice for consultation:**

- The PCC needed to take far greater initiative in passing on information regarding the development of the report
- The inclusivity of the stakeholders consulted was lacking as there needed to be wider range of social partners and multi-sectoral organisations present for discussion and feedback.
  - In particular, stakeholders called on the PCC to take on a gender-responsive approach to its consultation processes, taking into consideration the unique gender environment in South Africa.
- Civil Society partners particularly emphasised the need for the PCC to engage marginalised and vulnerable groups across South Africa – not least because these groups often face the greatest risk from climate and energy-related impacts.
- The health sector is a key partner in restorative justice and thus the just transition as a whole. Therefore, stakeholders called on the PCC to ensure the sector is consulted throughout the process of developing and implementing the JET-IP.

Comments on **Scope and prioritisation** which emerged:

- The focus on green hydrogen within the JET-IP was criticised as being both inflated and pre-emptive. This also included the large allocation of funding set aside for the resource. However, the PCC did note that much of this funding was for prefeasibility assessments and the existing plans were likely to evolve continuously throughout the implementation phase.
- Capacity of existing grid infrastructure was highlighted as an area that needed greater emphasis – especially in the context of the ongoing electricity crisis. This was also related to coal mining and export, and how this would be affected by the decarbonisation process.
- It was not always clear that the JET-IP aligned well with the Just Transition Framework as understood by participants – especially in relation to just and equitable distribution of energy.

- Some participants argued that the bulk of generation should be dispersed through households, community scale mini-grids and municipal scale local grids.
- Despite acknowledgement by some that the decarbonisation process must be slow and that there should be space for coal at least in the short-term, others strongly emphasised the idea that any new fossil fuel projects would be totally out of alignment with a just transition strategy.
- Some partners issued a strong call for adaptation and resilience programmes to be put in place to address township vulnerability.

Some points on the **Timeframes and financing terms** and **Institutional arrangements and capacities** which emerged:

- The nature of the risk sharing arrangement was questioned by some of the stakeholders as they felt that the private sector might take on the lion's share of the risk when it comes to the JET-IP's implementation process.
- Civil Society partners also noted with concern the fact that the funding arrangements were dominated by loan agreements rather than grants – representing a massive financial risk in the long-term.
- Concern was raised regarding the level of privatisation foreseen within the JET-IP framework, particularly with regards to the importance of prioritising the 'just' aspect of the just energy transition. Too great a degree of privatisation may only lead to greater concentration of capital in the hands of the few, fundamentally inhibiting the 'just' nature of the PCC's framework.
- Transparency surrounding the funding arrangements was noted by several participants as being lacking.
- Participants questioned what the role the JET-IP would serve as a framework tool which could inform other policies and initiatives related to decarbonisation strategies.

Some points on **Monitoring and evaluation**:

- Stakeholders stressed the need for clear monitoring and evaluation mechanisms across the development and implementation lifecycle of the JET-IP, and further acknowledged the role of government in this regard. However, it was also noted that in order for government to properly fulfil its M&E role, extensive institutional reform will be necessary.

## 2.1. Faith

The Faith community was vocal in its commendation of the PCC with regards to the development of the JET-IP. However, many stakeholders noted the PCC could have done more to engage across all the provinces in South Africa, and further focus on engaging at the community level – including rural areas.

Some points on **Methodology and procedural justice for consultation**:

- Speakers noted that the online/hybrid nature of some of the consultations severely inhibited the proper expression of feedback and a lot of communication was lost.
- There were also several requests for simplified documents to be released going forward as the technical nature of the JET-IP often precluded comprehensive engagement from group.
- Some participants also raised concerns that the entire faith community might not have been represented in the consultations
  - The PCC offered reassurances that faith groups across the entire country were being engaged.

On **Scope and prioritisation:**

- Skills development, and particularly skills development for the youth was raised as an issue of concern.
- Energy security, efficiency and equity were highlighted as issues important to the faith community and to South Africans more broadly – something that was felt could have been emphasised more clearly. This was in line with general commentary on the need for a healthy environment and a sustainable way of living.
- Along with this was the issue of illegal connections and the theft of electricity. Recommendations included strong protocols for dealing with such issues. This also relates to concerns surrounding corruption within government and ESKOM and the need to monitor funding flows and allocations closely to avoid the capture of critical finances.
- Food security was also raised as issue in the context of the transition away from fossil-fuel based farming machinery.
- As with nearly all social partner groups, the issue of green hydrogen was raised – both with regards to the consulting process surrounding its inclusion in the JET-IP, and its relevance in the South African context.

With regards to **Timeframes and financing terms:**

- As with many of the social partners, this group raised several probing questions on the transparency of funding arrangements related to the JET-IP as well as the degree of financial security (regarding loan repayments, concessional financing arrangements etc.), South Africa could expect going forward with the investment plan.

On **Institutional arrangements and capacities:**

- Speakers noted that we will need strong oversight and governance arrangements for the successful implementation of the JET-IP

Ultimately a central concern for the Faith consultation group was ensuring equality of distribution of energy, as well as a critical focus on environmental sustainability and environmental health.

## 2.2. Youth

The Youth engagements facilitated by the PCC were lively and, according to the Secretariat, some of the richest in quality of feedback. Key areas of discussion revolved around youth employment and skills development for youth, as well as concerns around financing arrangements and the JET-IP's focus on rapid decarbonisation.

A point on **Methodology and procedural justice for consultation:**

- As with Faith, strong emphasis was placed on the need for engagement outside of just urban areas where access for many is restricted or unequal. A request was made for the PCC to engage peri-urban and rural areas to a far greater extent to ensure that their consultations are truly inclusive and representative.

Some points on **Scope and prioritisation** which emerged:

- Questions were raised regarding the PCC's plans for educating – or reskilling – the youth in preparation for the market opportunities presented by the JET-IP.
- This also included onboarding programmes for youth to become involved with actual programme implementation –through IT support, community engagement etc.

Some points on the **Timeframes and Financing terms** which emerged:

- Several speakers noted that a large proportion of the funding arrangements outlined in the JET-IP are made up of loans, and questions were raised regarding what the long-term impacts of such loan repayments would look like, and what effect this would have on the South African economy and the poor.
- Further, and in line with many of the points raised in the Labour consultation, the seeming pressure on decarbonisation strategies implicit in the funding arrangements appeared to place an unfair level of pressure on South Africa – both due to the country's reliance on coal and due to the comparatively low level of pressure placed on certain Western partners.
- Participants noted the lack of clarity about specific dates and timeframes for implementation – noting that often with programmes as complex as these one's it is necessary to be adaptive and flexible (the Covid-19 pandemic being just one such example of a destabilising crisis)

Some points on **Institutional arrangements and capacities** which emerged:

- As with Labour, concerns around the extent of privatisation in the JET-IP were highlighted.
- This fell in line with questions raised regarding government's oversight capabilities and the degree to which actors and entities involved in the development and implementation of the JET-IP could be held accountable.

Some points on **Monitoring and evaluation:**



- Stakeholders stressed the need for clear monitoring and evaluation mechanisms across the development and implementation lifecycle of the JET-IP, and further acknowledged the role of government in this regard.

### 3. Government

#### 3.1. Local Government

Consultation with Local Government revealed the municipal capacity and equitable access to energy were central concerns for stakeholders.

In terms of **Methodology and procedural justice for consultation:**

- Local Government stakeholders raised the issue of consultations going forward through the implementation phase of the JET-IP and how stakeholder feedback would be incorporated throughout the lifecycle of the investment programme.
- Along with this was a certain lack of clarity on the PCC's thinking around presenting both the JET-IP and the Electricity Plan recommendations together.
  - The PCC acknowledged that there is significant overlap between the two instruments, and that the reason for their being presented together was to try and avoid information overload.

On **Scope and prioritisation** comments that were raised included:

- Alignment with the just transition must be an explicit priority for the PCC within the JET-IP document, especially when it comes to fair and equal access to the grid and to energy more broadly. Energy access is strongly correlated to economic development, and therefore, ensuring equitable energy access will likewise ensure strong, local economic development.
- Along with this was the call for a clear, comprehensive spatial planning strategy in order to enhance grid capacity in the short term to ameliorate the effects of the ongoing electricity crisis
- Skills development at the municipal level is key – noting that there is a clear distinction between national and local government when it comes to resource access and capacity. Further, stakeholders were particularly interested in the minutiae of the PCC's plans for providing skills development support at the local level.
- As with many of the other social partner consultations, green hydrogen was highlighted as an area of interest, although in this case it was to question whether its development was for the benefit of South Africa's power generation, or simply as a resource for export to funding partners.
- The need for social or communal ownership was also emphasised, within both the JET-IP and the Electricity Plan. In terms of the former, speakers noted the potential value of social ownership of renewable energy technologies when it comes to mitigating theft, vandalism, and other related crimes. This was

especially relevant in those peri-urban and rural areas where municipal government often lacks capacity to respond to such social risks.

With regards to **Timeframes and financing terms**:

- Local Government participants were especially interested in the technicalities surrounding grant funding applications and access, particularly as this was a key area within the funding arrangements that concerned municipal level development.
- The issue of timeframes was raised several times as well, considering local government had less leeway to respond to implementation arrangements than, for example, national government.

### 3.2. National Government

Engagement with National Government unfortunately was not as extensive as with other social partners due to scheduling conflicts. However, the feedback received was still insightful.

On **Methodology and procedural justice for consultation**:

- Participants were curious to know how the PCC had established its evidence base with regard to National Government's operations.
  - It was explained that engagement and consultation had taken place across government departments and that the current consultation was for the purpose of identifying further initiatives, perspectives, and programmes which could be incorporated into the JET-IP.

On **Scope and prioritisation**:

- Grid capacity was again raised as a serious and pressing issue – especially with regards to capacity constraints and the degree to which this had been factored into the implementation strategy of the JET-IP.

On **Timeframes and financing terms**:

- Stakeholders wished to get clarity on the status of the 8.5 billion USD earmarked in the JET-IP
  - The PCC Secretariat noted that the 8.5 billion in question was an offer, and all relevant parties are now in negotiation regarding the terms of the engagement.
- Participants also noted National Treasury's potential role with regards to repurposing or leveraging existing assets to assist with JET-IP implementation procedures.

## 4. Labour

The Labour consultation was highly involved and produced extensive stakeholder feedback. Several key concerns and critiques emerged across the group – with a particular focus on what speakers argued were poor consultative procedures (on the part of the PCC), fundamentally skewed funding arrangements within the JET-IP, and an unreasonable emphasis on rapid decarbonisation.

On **Methodology and procedural justice for consultation**:



- Consultation with Labour representatives seemed to many participants to be a tick-box exercise for a range of reasons including:
  - The documents were not provided with sufficient time for review or consideration.
  - The document also appears to be in its completed form. The question thus being, will any of the feedback really be incorporated in the JET-IP, and will this have a meaningful impact on its development or implementation?
  - Ultimately, participants argued the JET-IP was presented as a *fait accompli* – and that the stakeholder engagement is simply being conducted as an afterthought

Some points on **Scope and prioritisation** and **Timeframes and Financing terms** which emerged:

- Working with older power stations whose lifecycles could be extended was offered as a strategic solution to issues of adaptation and resilience
- A major talking point throughout the Labour consultations was the degree to which South Africa is being pressured along a decarbonisation path.
  - Attendees argued that coal is still a fundamental driver of economic growth in South Africa
  - And that there is an element of hypocrisy amongst certain foreign funding partners in that they had much longer to transition away from fossil fuel-intensive production, and also appear to be able to U-turn on their decarbonisation commitments at will.
- Several speakers questioned the funding arrangements with regards to green hydrogen, with the central question being: why is the private sector not taking on the burden of financing such a nascent industry?
- Speakers also stressed the need for a much larger funding allocation for skills development, as the task of training and re-skilling workers for the just energy transition will be key to its success
- The size of the grant component versus the loan component within the JET-IP was also heavily criticised – particularly as speakers noted the burden loan repayments would place on the South Africa taxpayer
  - The PCC did agree that the grant component was far too small but questioned what the appropriate response would be.
- Along with the critiques of the grant component size, participants stressed the danger of the funding arrangements being underpinned by a foreign currency, with the concern being that South Africa's monetary sovereignty would be directly threatened.

On **Institutional arrangements and capacities**:

- Participants questioned what ‘enabling environment’ conditions the government was expected to create and how these conditions might simply spur on a “capitalist bonanza”. This echoed concerns across other consultations related to “socialising risks and privatising profits”.
- Another central concern for the Labour group was the privatisation and ownership priorities outlined in the JET-IP. Many felt that the “just” aspect of the just energy transition was overshadowed by a plan that was more a “green infrastructure investment plan” than a “just transition” plan. Ultimately it was argued that privatisation would only serve to concentrate wealth in an already unequal society.

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