



TRANSPORT MINISTRY
REPUBLIC OF SOUTH AFRICA

**KEYNOTE ADDRESS DELIVERED BY THE MINISTER
OF TRANSPORT, MR FIKILE MBALULA ON THE
OCCASION OF THE PRESIDENTIAL CLIMATE
COMMISSION'S MULTISTAKEHOLDER
CONFERENCE HELD AT VODWORLD VODACOM
CONFERENCE CENTRE ON 5 MAY 2022 AT 09H00**

Fellow Commissioners and Fellow South Africans.

It is my pleasure to join you at this important occasion, for South Africa's first multi-stakeholder conference on a just transition.

A just transition means a *people-centred* approach to addressing the impacts of climate change.

It is about improving the lives and livelihoods of all South Africans, particularly those that are bearing the brunt of climate impacts.

It is about protecting and empowering workers and communities, as our country carefully navigates the shift away from fossil fuels.

Achieving a just transition is an idea that our President is committed to, and one that I and my fellow Ministers and Commissioners fully support.

Indeed, we cannot forget the burden that climate change poses to our economy and our people.

We live in one of the most affected regions in the world, and frequently experience droughts, storms and floods associated with global warming.

The recent devastating floods in Kwa-Zulu Natal put these climate impacts in sharp focus, causing catastrophic loss of life and widespread destruction.

Hundreds of people lost their lives. Homes, roads, and bridges were washed away. Public buildings, shops and farms were flooded.

Our hearts are with those that have been affected. And we pay tribute to the heroes who are working tirelessly to rebuild homes and infrastructure.

Disasters like those in Kwa-Zulu Natal remind us that it is poorer communities — women and young people, the unemployed, those living in informal settlements, that are most vulnerable to climate change.

We must protect these communities from further devastation, through properly planned settlements, and affordable and safe housing.

We must continue to build our resilience to the impacts of climate change, through early warning systems, stronger infrastructure, and disaster risk management systems.

It is imperative that as we build back from the catastrophic events in KwaZulu-Natal, that we do so in a climate resilient way. Our social and economic infrastructure must be made climate resilient in a systematic and forward-looking manner.

It is about addressing climate change while solving our triple challenges: reducing inequality, eliminating poverty, and creating new employment opportunities.

This is what a *just* and *equitable* climate response looks like.

At the request of the President, it is my privilege to be part of the Presidential Climate Commission, as I work with my fellow Ministers and fellow Commissioners to drive a just and equitable transition in South Africa – bringing together government, business, labour, academia, youth, and civil society in an innovative social partnership.

The Commission has come into operation at a critical time, both domestically and internationally.

The science is clear that climate change is happening at an accelerated pace, with profound implications on all aspects of our lives – on rainfall patterns, water resources, crop viability, food security and human health, amongst others.

The science is also clear that we must keep global warming below 1.5 degrees Celsius, if we want to avoid the worst of climate impacts. To do so, we must reduce greenhouse gas emissions dramatically over the next three decades to reach net-zero emissions by the middle of the century.

Developed countries, who have contributed the lion's share to historical emissions, bear the responsibility of reducing emissions first.

But we will also need to play our part.

If we don't, we will miss out on the opportunities of a greener, more inclusive, and more sustainable economy.

And we will face increasing economic risks, as the world shifts demand to low-emissions goods and services.

The transition will require profound and systemic change across all sectors of our economy.

We must decarbonise our electricity grid and modernise the electricity system.

We must continue to bring more renewable energy capacity online as our cheapest available energy source, and as part of a long-term shift towards a renewables-based power system.

South Africa needs to install roughly 3 to 4 gigawatts of renewable energy per annum over the next 30 years.

At this pace, we can generate sufficient economies of scale for local manufacturers to produce the parts for wind and solar and utility scale batteries.

This manufacturing can create *real* jobs — not just intermittent jobs in the installation and construction, but decent permanent jobs linked to large scale manufacturing.

We must invest in peaking power to provide the energy security that our country so desperately needs.

We must continue to phase out coal, in a manner that is carefully structured and planned. Specifically, this means repurposing and repowering our existing coal plants, and creating new livelihoods for workers and communities most impacted in the change.

We must equip our automotive industry for the new opportunities of a cleaner transport system, including electric vehicles.

We must similarly ensure that our agriculture sector is resilient to the impacts of climate change, empowering the farmers and farm workers at the same time.

In short, we need a systemic change:

To ensure an affordable and reliable electricity supply for all citizens.

To stimulate greater investment and employment in our country.

And to create new industrial pathways, to equip our nation for a greener and more sustainable future.

To seize the opportunities and manage the risks from the transition that lies ahead, we know that we will need support – from our people, from our businesses, from all levels of government, and from other nations.

We will need public and private finance, from both domestic and international sources.

We will need to invest in projects that accelerate a low-emissions and climate resilient transition, while ameliorating the negative impacts of workers and communities whose livelihoods are tied to high-emitting industries.

Resources must be also channelled towards re-skilling and early technology development and deployment, setting South Africa — and South African workers — on a just transition pathway.

The transition will require large-scale shifts within our domestic financial system to mobilise both public and private capital for the transition, including by strengthening regulation and institutional arrangements, partnering with the public sector for delivery, and attracting capital into new markets, technologies, business models, and small and medium enterprises.

To support these shifts, the National Treasury has committed to integrate the just transition imperative into the national fiscal framework and budget planning process. Mindful of our fiscal constraints, we are committed to the Just Transition.

We are pleased that the National Treasury has been engaged with issues related to sustainable financing, pointing to the need for all climate finance to also contribute to the achievement of our national development goals.

The National Treasury has recently launched a Green Finance Taxonomy, which will encourage disclosure and

monitoring from various organisations and sectors, so that we monitor all aspects of progress towards meeting our just transition goals.

And we will seek to ensure that there is a sustainable financing mechanism for a pipeline of just transition projects.

South Africa will also require grant and concessional funding from multilateral development institutions, donors, and philanthropies, as well as the promised support from developed economies, which are critical to achieve our country's ambitious climate commitments and development objectives.

At the international climate conference in Glasgow last November, South Africa struck a historic \$8.5 billion deal with the European Union, France, Germany, the United Kingdom, and the United States.

This first-of-its-kind partnership will help drive a just and affordable energy transition in South Africa.

Renewable energy production will make electricity cheaper and more dependable, which will have positive knock-on effects on our energy-dependent economic sectors, including mining, cement, and manufacturing.

Investments in electric vehicles and hydrogen will equip South Africa to meet the global clean energy future.

And we will open new markets for the supply of our clean energy minerals, like platinum, vanadium, cobalt, copper, manganese, and lithium.

We have been very supportive of the Just Energy Transition Partnership since the idea was seeded, and will continue to provide support towards realising a positive outcome at COP27, as the contours of the partnership are finalised.

The climate transition must work for everyone who is affected by it.

We know that the changes that lie ahead will be difficult for some.

Wealthy nations and citizens have the resources to adapt, but it is those who are most vulnerable – the unemployed, those living in informal settlements, rural subsistence farmers, women, and young people – that will face the greatest difficulty in adapting to changes that lie ahead.

Developing our people and their livelihoods is the best way to build our resilience.

We must ensure that everyone is supported to transition to new employment or livelihoods and provided the necessary social support mechanisms to do so.

It has been remarkable to see the extent to which social partners, Ministers, and all the Commissioners represented in the PCC, have embraced and championed the concept of a just transition.

The Just Transition Framework, which will be discussed in detail over the next two days, is a critical planning tool, an early milestone that will give effect to an equitable transition in our country.

Finding common ground on this plan is possible, I believe, but will require sincere commitment by all social partners.

We cannot afford to get this wrong. The risks are too great – for our people, for our climate, and for our future economic competitiveness.

I wish you well in your deliberations.

I thank you.