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Summary Note: JET Roundtable

2023



ACT NOW

Raise the Game for Just Energy Access and Transition to Leave No One Behind

Venue: Capital Hotel Menlyn, Pretoria 5 July 2023

A high-level roundtable meeting was convened in Pretoria on 5 July around the theme “Raising the Game and Acting Now on Just Access and Transition to Energy to Leave No One Behind”. The roundtable sought to get a mutual understanding together with aligned action, across sectors and stakeholders, of the JUST component of the energy transition. The roundtable included the participation of government, private sector, national and international development partners, community-based entities, think tanks and the UN to discuss the impacts and benefits of the transition so as to leave no one behind.

The focus areas for discussion included: taking stock of the JET partnership commitments and renewed attention to ensure accelerated access to energy and the necessary transition follows a just path; discussing policies at the national and sub-national levels to protect those most affected by the transition and ensure they become active participants in the new emerging economy, including through access to energy and other resources; and considering specific micro-and meso-level interventions that respond to the concerns and fears of workers and communities.

The meeting began with a shared understanding and consensus that access to reliable, affordable and sustainable energy is a fundamental human right. It is the driving force behind socio-economic progress and wellbeing, enabling education, healthcare, economic opportunities, and a better quality of life. The focus, therefore, should be on ensuring we can keep the lights on for all whilst also responsibly and justly transitioning towards a low carbon and inclusive economy.



Dr. Dipak Patel, Head Climate Finance and Innovation (left); Nelson Muffuh, Resident Coordinator, United Nations in South Africa (centre); Selwin Hart, the Special Advisor to the UN Secretary-General on Climate Action and Just Transition (right).



Discussions and knowledge exchanges by stakeholders during the recent JET Roundtable.

During the discussions, participants were reminded of recent JET milestones in South Africa which included the completion of the Just Transition Framework (JTF) in 2022, which embeds the principles of restorative, procedural and distributive justice. The JTF benefited from a wide consultative process that included labour, academia research, youth, religious community as well as the communities that will be adversely impacted either by the transition away from the coal value chain or situated in localities or communities or regions where they will mostly be affected by climate change itself. In late 2021, South Africa became the first country to reach a JET Partnership (JETP) agreement with international partners¹.

This was followed by a JET Investment Plan (JET-IP) in 2022, understood as a catalytic process and fundamental cornerstone for South Africa to transform the nature of its economy and to address some of the social issues related to both energy access and energy poverty. Also in 2022, Komati became the first coal-fired power station in South Africa to be decommissioned, as part of JET efforts towards decarbonization.

The discussion that ensued coalesced around the following themes: stakeholders and community engagement, participation and partnerships; job creation, livelihoods and social protection, and skills development; leveraging small and medium sized enterprises in the access and transition value chain; unlocking transmission; the role of technology; decommissioning; and financing the JET-IP.

¹The European Union, France, Germany, the USA and the UK.



Stakeholders and Community engagement, participation and partnerships: Community engagement or a lack thereof, featured prominently in the discussion as communities felt they are not adequately engaged on the JET and not part of the process, from the design, to decision making to implementation. Moreover, communities impacted by the decisions to decommission power stations do not have access to the important information that highlights what it means to them. They want meaningful participation, transparency, and access to information in order to have a full and proper understanding. Reference was made to the Freedom Charter in the 1950s which included wide consultation without communication technology that is currently available. Hence, there is no excuse to not sufficiently consult and to include all stakeholders. JET requires continued discussion and engagement from communities and stakeholders. The question raised is how to course correct and ensure communities are included in the JET design and implementation.

Another concern highlighted is while information is sourced from communities for policy design and formulation, the results they yield usually do not flow back to the communities. The question then raised is how to empower vulnerable citizens to become active participants in JET. There is a lack of co-creation that needs urgent addressing. Furthermore, communities must be empowered on the principles enshrined in the Just Transition Framework.

There was a broad consensus that the focus of the JET should be on partnerships and to create links among multiple stakeholders. Public consultation and inclusivity must be carried widely, listening to communities that are affected by the transition; and that alternative opportunities are made available to ensure that affected communities are part of the implementation process.



H.E. Sandra Kramer, Ambassador, Delegation of the European Union to South Africa (centre) addresses participants at the JET Roundtable.



Job creation for all: In the South African context of high unemployment, it is critical to bring those with no jobs together in the transition process. The focus should extend from those losing jobs to those without a job at all. For this to happen, the economy needs to grow faster. To this end, JET requires both macro and micro interventions. At the macro level, there should be a focus on policy coherence and coordination; macro growth-oriented policies; industrial policy; active labour market policy; social security; right of workers; and more voices given to communities. Whilst job creation through growth is needed, the question raised is what sort of jobs can or should be created. Jobs created in renewables are not the same as those jobs lost under JET. Thus, even if the transition translates into net gains in jobs, the questions are: Where? What places? What kinds of jobs?

At the micro level, SMMEs growth can be a key source of job creation and income generation: 2 million people employed in SMMEs who then impact 8 million households. However, millions will be without jobs during the transition if the process is not managed properly. It is critical to create a safe space for small businesses to be able to succeed and to try again if they initially stumble. In addition, business needs access to affordable capital – and cannot be cut off from the supply chain and localization. It is also critical that energy needs of small industrial clients are met and that finance is provided to those who do not have finance capacity.

Skills development: Skills are linked to job creation, a need repeatedly emphasized in JET discussions. There is a need for an ecosystem of skills in procurement and finance. The current context is characterized by a lack of agility within the system, and of fundamental data and analysis. The pathways from basic education into energy jobs are unclear, which results in gaps and mismatches and in communities not able to avail themselves of jobs that are created because they lack STEM education. Therefore, there is a need for just access to finance to have access to the technology, and access to information and education to learn how to use the technology. In addition to the need for skills development, one has to think about future skills as well.

The role of technology: A more general point made was the importance of fostering innovation and technology transfer to enable developing countries, like South Africa, to leapfrog into sustainable energy systems. Effort must be made for collective and active work toward creating an enabling environment that promotes social equity, job creation, and economic growth while reducing carbon emissions and environmental degradation for which innovation and technology can play a critical role. On the Just Technology Transition, a question asked was how we use technology?

Unlocking transmission: To grow faster, secured energy supply is key. However, there is no energy transition without transmission. The latter needs to be unlocked and, in the view of some participants, include engagement from the private sector. The need to move towards decentralization – and improve energy efficiency, grid access and capacity was emphasized. The role of the private sector in transmission was however contested. Other participants expressed the view that the role of the State in national grid transmission is crucial. It is not advisable to have the private sector doing the transmission with systems that do not talk to each other.



Decommissioning of coal-fired power plants: The World Bank has financed Eskom on their plans to decommission some of their plants. The project on the Komati Power Station precedes the JETP but took time to take off and implement. It involves both repurposing and repowering and aims to benefit the local communities through various initiatives, including the development of a training centre. A challenge identified at the discussion is that, although a lot is being done at Komati, there is poor communication about successes and challenges with departments “working in silos”. There is a need for a socioeconomic impact assessment in all power stations and identify opportunities for economic diversification. Additionally, there is a need for a clear vision, plan, and interventions at local level. The need to move beyond silos and think about the skills required for future jobs – ultimately moving from learning to earning, was highlighted.

Financing the JET-IP. On financing the JET-IP, it is important to go from what to how, and take a less fragmented approach. One should have a plan on financing that is sustainable and takes into account the fiscal space that exists or may become available. JET-IP requires R1.5 trillion [about US\$83.3 billion] in the next five years. One has to be careful with certain forms of financing, however. Concessional finance, for instance, is not a guarantee that JET will be more sustainable.

A related concern raised is that loans to SA to address climate change do not necessarily constitute climate justice or lead to just transition. The private sector will have a critical role to play as it will need to provide 60 per cent of the total financing needed. In the face of the financing challenges, it is a complex task to mobilize what the investment plan needs.



The participants at the JET Roundtable on the JUST component of the energy transition hosted by the United Nations in South Africa.



In summary, almost every participant highlighted that the journey towards a sustainable, green, and equitable energy future is not straightforward – as a roundtable participant remarked, the JET in South Africa is going “to be a long, difficult and challenging process.” To ensure it meets its true aspirations, there must be space at the table for all stakeholders: governments, private sector, communities, academia, individuals, alike. All stakeholders have a role to play. There is a need for solidarity and partnership, and to support and accompany a process that is South African owned and led. Everybody should strive to minimize harm and amplify the gains. The transition must be just and inclusive which means the urgent prioritization, protection and empowerment of those most vulnerable to the effects of climate change and the energy transition.

The message is that all stakeholders must continue to find solutions to invest in reskilling and upskilling programs for workers currently employed in the fossil fuel industry to ensure they can find meaningful employment in the new energy economy. Moreover, a need to foster innovation and technology development is critical. This will not only help achieve sustainability goals but also stimulate economic growth and job creation. Private sector participation and investment in renewable energy projects are urgent. In acknowledging the claim made at the roundtable and elsewhere, that the grant component of finance offered to date by international partners have been too little if the transition is to have any chance to be just, promises and indications were made that more grants will be offered. The UN, for its part, indicated availability, readiness and expertise – if appropriately funded – to scale up consultation, advocacy and convening – and to programmatic work on engaging and involving communities so that they are part of the JUST energy transition and access journey.



Government, private sector, national and international development partners, community-based entities, think tanks and the UN at the JET Roundtable.



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