



**PRESIDENTIAL
CLIMATE COMMISSION**
TOWARDS A JUST TRANSITION

JUST ENERGY TRANSITION INVESTMENT PLAN

- Summary of Consultations thus far and Schedule of Engagements Feb/Mar 2023
- Proposal for Finalisation of Reports to the President of the Republic

Presentation to the PCC Quarterly Meeting
24th February 2023

Timeline and process

The first round of consultations were completed – convened by PCC on behalf of the Presidential Climate Finance Task Team

First round consultations



Roundtable workshops of expert groups



The JETP Secretariat convened a number of roundtable workshop sessions in 2022 with climate experts, sectoral stakeholders and academia. These intensive workshop sessions fed technical and expert perspectives, including modelled outputs into the JET-IP development process

23 August
Round Table
on
Electricity
System

24 August
Round Table
on
Just Transition

29 August
Roundtable
on
Green
Hydrogen

30 August
Round Table
On
Electric
Mobility

Key themes across consultations

A number of important points came out across the first round of consultations

Youth

Business

Labour

Civil Society

- **Intent and objectives:** Groups agree the work is high priority, are keen to be involved and are optimistic about the potential of the plan on the future of SA
- **Transparency and accountability:**
 - Call for greater transparency into the process as a whole – the consultation groups want a view of the draft IP itself
 - Groups also want to understand what the priority catalytic investments are, i.e., what the initial USD 8.5 BN would be spent on
- **Methodology:**
 - Consultation process is valuable, but concerned it is happening too late in the IP drafting process (should have been a preliminary input)
 - Consultations should also include people on the ground (workers in coal industry and associated value chains)
- **Proposed investments:** Initial investments should focus on energy security and modernisation of the grid
- **Structure of the financial offers:**
 - Groups want to understand the conditions and implications of the financial offers (debt, currency impact, etc.)
 - Questions raised on size of grant portion vs. concessionary loans
- **Just transition:** High level of focus on ownership models, with the suggestion that a community-owned investment plan has the highest chance of success
- **Policy:** Consultation groups would like to understand how the IP aligns to existing policy, how it intends to leverage policy for successful delivery and how the JETP will influence policy formulation in the future
- **Implementation:**
 - The implementation should be carefully considered, and should include clear measures to ensure disciplined governance, tracking and accountability
 - Accounting for initial spending will be key to unlock future funding

Consultation summary (1/2)

Youth focused on ensuring the process maintains high levels of accountability now and during implementation while Business focused on asking for the creation of enabling policy and regulation with the lowest cost of capital

	Youth inputs:	Business inputs:
Intent and objectives	<ul style="list-style-type: none"> JET is important and Youth are passionate about its outcome 	<ul style="list-style-type: none"> The JET has the potential to drive significant economic transformation and industrial development for South Africa
Transparency and accountability	<ul style="list-style-type: none"> A high degree of transparency is required as the PCFTT develops the IP A mechanism is needed to hold the IPG accountable to their financial obligations 	<ul style="list-style-type: none"> Fund transparency should be prioritised (e.g., how to access, how much is available, where it is available from and the associated risks)
Methodology	<ul style="list-style-type: none"> Marginalised parties, youth in rural communities and communities immediately at-risk in the transition should be involved in engagement plan 	<ul style="list-style-type: none"> Quality of consultations could be improved by sharing the IP ahead of the engagements
Proposed investments	<ul style="list-style-type: none"> Skills development and education (both basic and higher) must be to equip school leavers for the jobs of the future 	<ul style="list-style-type: none"> Grid modernisation should be prioritised as a first step Additional sectors outside of those mentioned should be investigated (e.g., green steel, green ammonia)
Structure of the financial offers	<ul style="list-style-type: none"> The financing mix (grants versus concessional), terms (maturity, penalties, interest rate, IPG conditions), socio-economic effects, and workflows/timelines are important considerations 	<ul style="list-style-type: none"> The cost of capital should be minimised to ensure the funding is more cost effective than other funding sources
Policy	<ul style="list-style-type: none"> Policy should be setup to protect the integrity of the funds and prevent misappropriation 	<ul style="list-style-type: none"> Policy should be enabling for the transition (e.g., harmonised transport regulatory standards across provinces, OEM incentivisation, reduced delays at port of entry, revised carbon taxes)
Just transition	<ul style="list-style-type: none"> Principles of restorative, procedural and distributive justice should be used Gender, race, and class inequalities must be addressed 	<ul style="list-style-type: none"> Seed-funding and early capital should be made available for SMMEs
Implementation	<ul style="list-style-type: none"> Youth engagement is important throughout implementation – follow-up consultation plans should be incorporated into the IP 	<ul style="list-style-type: none"> Skills building and transfer with a detailed skills and talent pipeline

Consultation summary (2/2)

Labour focused on the real needs of coal workers and communities, starting with energy access/ poverty and Civil Society complimented this by focusing on how the just transition will be structured/ implemented

	Labour inputs:	Civil Society inputs:
Intent and objectives	<ul style="list-style-type: none"> Passionate about the case for change 	<ul style="list-style-type: none"> Civil Society are supportive of the JET overall but require more detail
Transparency and accountability	<ul style="list-style-type: none"> Details of the IP are needed for further engagement Formal engagement platform should be created List of names in the working groups should be shared 	<ul style="list-style-type: none"> Proper engagement is not possible without seeing a draft of the IP first Priority investments and the balance between sectors should be clear
Methodology	<ul style="list-style-type: none"> The JETP connection to the overall SA climate strategy should be clear 	<ul style="list-style-type: none"> The IP should align closely to other public/ Eskom investment plans Eskom and the state will play a central role – privatization of the energy sector will diminish the power of policy for successful JET execution
Proposed investments	<ul style="list-style-type: none"> Funds should go towards bottom-up efforts (community-based initiatives) 	<ul style="list-style-type: none"> Energy crisis and Eskom debt crisis should be addressed through the IP New manufacturing jobs should be a key focus
Structure of the financial offers	<ul style="list-style-type: none"> IPG should have limited control over fund allocation – this should be driven by South Africa only 	<ul style="list-style-type: none"> Details on conditions are required for further engagement – especially the size of grant vs. concessionary funding If loans are not ZAR denominated, currency exposure risks should be considered
Policy	<ul style="list-style-type: none"> Sector privatisation and impact of liberalisation of the Energy Sector should be properly investigated and noted as a risk 	<ul style="list-style-type: none"> N/A
Just transition	<ul style="list-style-type: none"> Renewables projects should be community-owned Labour migration should be addressed 	<ul style="list-style-type: none"> Equitable access to energy and distribution of renewables must be a focus Specific conditions should be built in (e.g., onshoring, employ ex-coal workers only)
Implementation	<ul style="list-style-type: none"> Accountability mechanism should be included Technical readiness in Eskom project pipeline should be assessed before implementation 	<ul style="list-style-type: none"> The international community are better at execution than us – we should use the IPG to learn valuable implementation lessons

Mandate from President to PCC on JET-IP

President Ramaphosa introduced the JET-IP as endorsed by the South African Cabinet, and the Head: Presidential Climate Finance Task Team presented the detailed contents of the Plan, at a Special Sitting of the Presidential Climate Commission

- Socialise the JET-IP among stakeholders and receive comments, feedback and views
- Compile a report to the President, reflecting the feedback from stakeholders
- Produce a PCC response to the JET-IP

The first technical and in-depth presentation of the JET-IP was done at a special extended sitting of the Presidential Climate Commission, with live streaming, on 1st December 2022. The PCC agreed that a full schedule of stakeholder consultations should be held during February and March 2023, culminating two submissions to the President:

1. A report of stakeholder views on the JET-IP, accurately reflecting the views that would be expressed in the consultations
2. A submission to the President from the PCC, consisting of views, recommendations and implementation imperatives

Schedule of information sharing / briefing and consultation sessions

After the first few consultation sessions (youth and labour) we agreed with the stakeholders that there would be two engagements with each stakeholder group: a technical and information sharing session (socializing the JET-IP), followed by a consultation session. The engagements will take the form of “Integrated Energy Sessions”, covering the energy mix as well as the engagement on the JET-IP. The schedule below reflects the engagements that have already taken place, and those that will take place during February and March 2023.

February

Monday	Tuesday	Wednesday	Thursday	Friday
		1	2	3
6 PCC M&E Commissioners' Working Group 08h30 – 15h00	7	8 Integrated Energy Dialogue 1: Youth 14h00 – 17h00	9	10 PCC Finance & Governance Committee 08h00 – 12h00 NBI Seminar on JET-IP and Energy Plan 13h00 – 15h00
13	14 Integrated Energy Dialogue 2: Organised Labour 13h00 – 16h00	15 CBAMs and their Implications for South Africa 11h00 – 12h30 PCC Climate Finance Commissioners' Working Group 09h00 – 13h00	16	17 Integrated Energy Consultation: Business 11h00 – 14h00 PCC Resilience & Adaptation Commissioners' Working Group 09h00 – 13h00
20 Integrated Community Consultation - Limpopo 09h00 – 14h00	21	22	23 PCC Strategic Planning Session 09h00 – 17h00	24 PCC Commission Quarterly Meeting 08h00 – 13h00
27	28			

March

Monday	Tuesday	Wednesday	Thursday	Friday
		1 Information sharing on PCC recommendations on electricity planning in a climate context and JET-IP: Civil Society 10h00 – 13h00	2 Capacity Building on the PCC recommendations on electricity planning in a climate context and JET-IP: Local Government 09h00 – 12h00	3
6	7	8 Integrated Consultation: Faith Community (Johannesburg) 09h00 – 16h00	9 Date open 09h00 – 13h00	10 PCC Net-Zero Working Group Meeting 08h00 – 12h00 Information sharing on PCC recommendations on electricity planning in a climate context and JET-IP: Government 13h00 – 16h00
13 Integrated Energy Consultation: Organised Labour 09h00 – 14h00	14 Integrated Energy Consultation: Local Government 09:00 – 14:00	15 Travel to Northern Cape	16 Integrated Community Consultation – Northern Cape 09h00 – 14h00	17 PCC Climate Finance Working Group Meeting 10:00 – 13:00
20 Public holiday on Tuesday, leave open.	21 Public holiday	22 Integrated Energy Consultation: Government 10h00 – 13h00	23 Youth and Just Transition Opportunities Conference 10h00 – 20h00	24 Integrated Energy Consultation: Youth 14h00 – 17h00
27 Integrated Energy Consultation: Civil Society 09h00 – 12h00	28	29 National Colloquium 09h00 – 14h00	30	31 Recommendations report deadline

With a due date of 31 March 2023, the Secretariat proposes that the two reports be considered by a special extended meeting of the Climate Finance Working Group on 17th March 2023, for finalization by the PCC Secretariat before submission to the Presidency.

Decisions Required

The decisions required from the PCC Meeting on 24th February 2023

- Note the engagements held with stakeholders to date
- Note the President's request to PCC to conduct further stakeholder consultation on JET-IP
- Agree on two step engagements with each stakeholder groups
 - an engagement on content / information sharing
 - in-depth consultation sessions
- Approve that PCC will submit a two-part report on the JET-IP:
 - Report of feedback and issues raised by stakeholders
 - PCC's own recommendations, informed by stakeholder feedback, on how the JET-IP can be improved.
- Approve that recommendations will be finalised in a Special Extended Meeting of the Climate Finance Working Group and circulated to Commissioners for round-robin approval.