



# AMEU/SAIEE joint virtual webinar

*“THE DIGITAL MUNICIPAL Dx ELECTRICITY UTILITY OF THE FUTURE”*

*10 August 2022*

## Session 1 (Theory/Case Study)

### **“The Climate Context, Just Transitions, Power and Local Government”**

*By | Steve Nicholls*





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**CLIMATE COMMISSION**  
TOWARDS A JUST TRANSITION

# Who are the PCC



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## ABOUT US

The Presidential Climate Commission is an independent, multistakeholder body established by President Cyril Ramaphosa. Our purpose is to oversee and facilitate a just and equitable transition towards a low-emissions and climate-resilient economy.

## COMMISSIONERS



CHAIRPERSON

**H E PRESIDENT MATAMELA CYRIL  
RAMAPHOSA**

President Cyril Ramaphosa is the Chairperson for the Presidential Climate Commission, a role which commenced in December 2020.



DEPUTY CHAIRPERSON

**VALLI MOOSA**

Valli Moosa is a veteran of the South African Freedom struggle. He worked closely with Nelson Mandela during the settlement talks.

10 Ministers and 23 commissioners from government, business, labour, civil society and research and academic institutions, appointed in Dec 2020

## SECRETARIAT

The Secretariat provides logistical support for Commission meetings and undertakes research and policy work to support the main functional areas of the Commission relating to a just transition, climate mitigation and adaptation, and climate finance.



CHIEF OPERATIONS OFFICER

**DR THULI N KHUMALO**

Dr Khumalo joined the PCC as the Chief Operations Officer on 01 November 2021.



EXECUTIVE DIRECTOR

**DR CRISPIAN OLVER**

Crispian is responsible for running the Secretariat of the PCC and its various policy and research programmes.



# A Just Transition



A PRESIDENTIAL CLIMATE COMMISSION REPORT

## A Framework for a Just Transition in South Africa

We must do everything that we can, **within climate constraints**, to ensure our economy is more competitive to create opportunities for every person in South Africa. In that context, lifting people out of poverty, inequality and unemployment is our primary goal.



# The Just Transition Framework therefore attempts to define the transition and systemically lays out the considerations of the transition

## **Vision**

How do we define a just transition? What is our collective vision?

## **Principles**

What are the principles of a just transition? What are the boundary constraints on a framework? How can we ensure procedural, distributive and restorative justice?

## **At-Risk Groups**

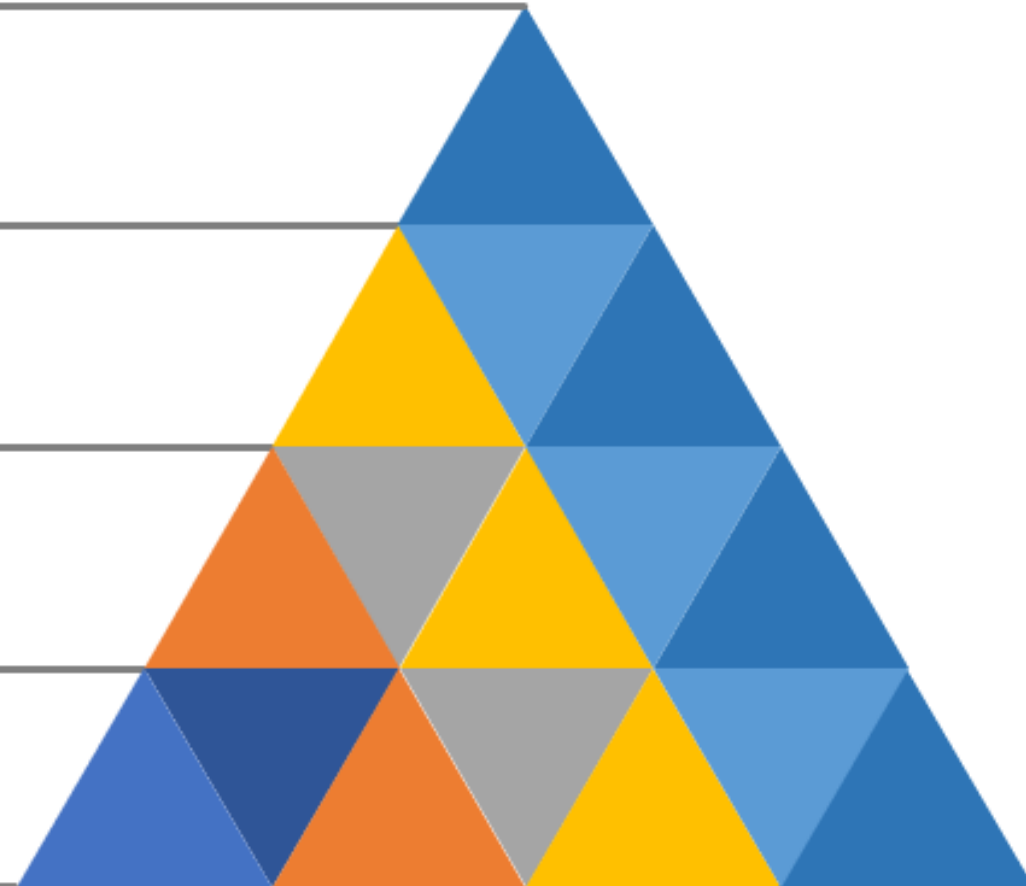
How do we best empower and support at-risk groups in the transition? What strategies must be employed over the short-, medium-, and long-term?

## **Planning Elements**

What are the elements that must be considered when putting together a just transition plan?

## **Policy Measures**

What levers can be pulled, immediately, to link achieve our vision for a just transition?



# The Just Transition Vision

*A just transition aims to achieve a good life for all South Africans, in the context of climate resilient and zero-emissions development.*

*A just transition contributes to the goals of decent work for all, social inclusion, and the eradication of poverty.*

*A just transition puts people at the centre of decision making, especially those most impacted, the poor, women, and youth—empowering and equipping them for new opportunities of the future.*

*A just transition builds the resilience of the economy and people through affordable, decentralised, diversely-owned renewable energy systems; the conservation of natural resources; equitable access of water resources; and sustainable, equitable and inclusive land-use for all, especially for the most vulnerable.*



# Principles for a just transition

## Distributive justice

- Equitable distribution of risks and responsibilities addressing direct impacts of transition

## Restorative justice

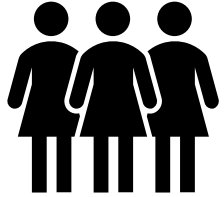
- Redress of historical damages in order to rectify or ameliorate situations

## Procedural justice

- Empowering workers, communities, and small businesses so that they can define their own development and shape how decision makers respond



# Planning instruments for just transition



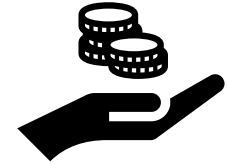
## Labour market

- Skills development, apprenticeships & reskilling
- Aligning basic and higher education with future economy
- Employment incentives and job placement



## Economic diversification

- Infrastructure and incentives to support new economic clusters
- Public procurement to drive transformation
- Small and local business support mechanisms
- Support low-carbon and climate-resilient innovation



## Social support

- Social support for displaced workers and early retirement provisions
- Basic income support for unemployed
- Universal access to basic services, health care and sustainable human settlements



# Planning instruments for just transition



## Governance

- Enabling and regulatory roles of national, provincial and local government
- Corporate governance within the context of ESG and climate disclosure
- Inclusive multistakeholder governance and ways to leverage capacity of social partners
- How to measure impact and success



## Climate finance

- Including just transition in green taxonomy and tracking flows of climate finance into just transition
- Establishing dedicated mechanisms for ensuring just transition financing
- Scale up grant financing with green bonds and blended finance instruments
- Building pipeline of just transition projects

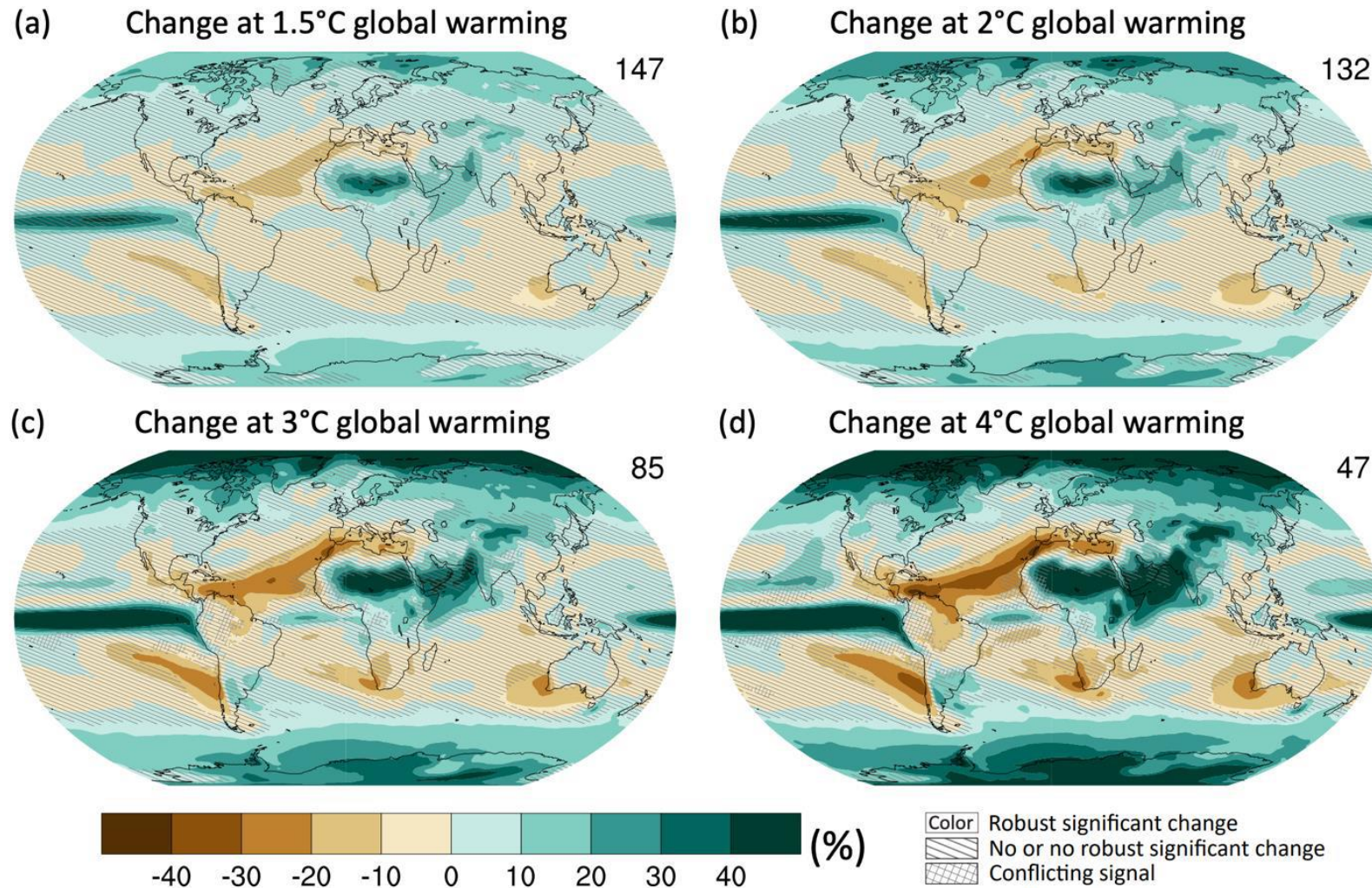




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Climate impacts are  
paramount

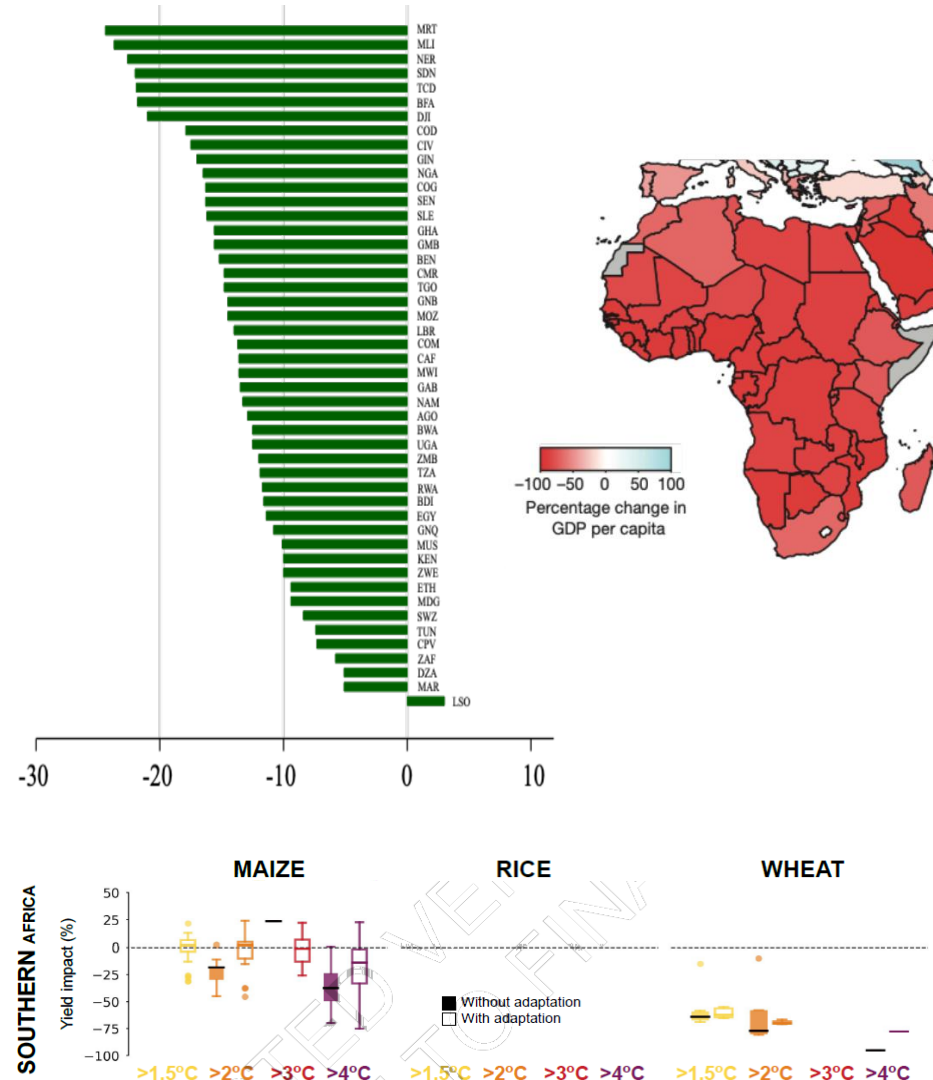
# South Africa is acutely exposed to the unequal impact of physical climate risk



# The recent IPCC 6<sup>th</sup> Assessment Report details some worrying impacts:

## Impacts

- A 34% reduction in agricultural output due to climate change, more than any other region.
- Reduced income and growth and increased income inequality for African countries compared to their northern hemisphere counterparts.
- Over 3.6 million weather related displacements.
- A -5% impact on GDP per capita for South Africa

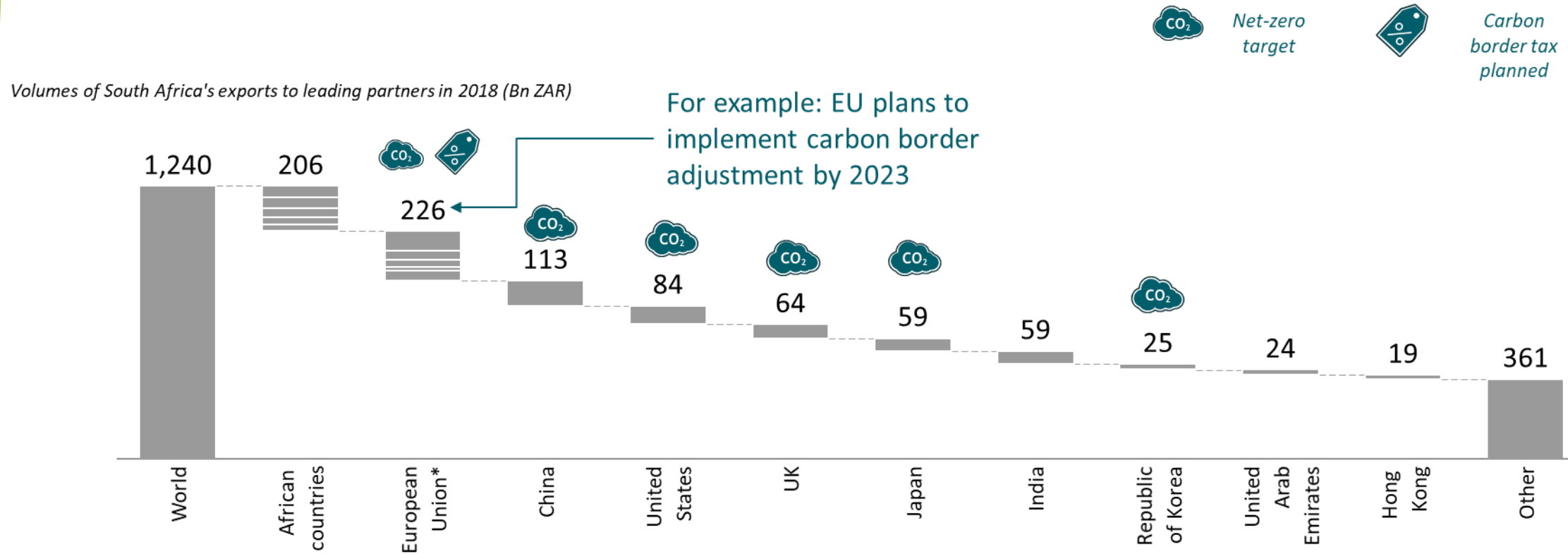


## Projected Impacts

- A further 25 to 75% reduction on agricultural output, depending on crop and scenario
- A 50% drop in South Africa's GDP by 2100
- With 1.7°C global warming by 2050, 17–40 million people could migrate internally in sub-Saharan Africa, increasing to 56–86 million for 2.5°C

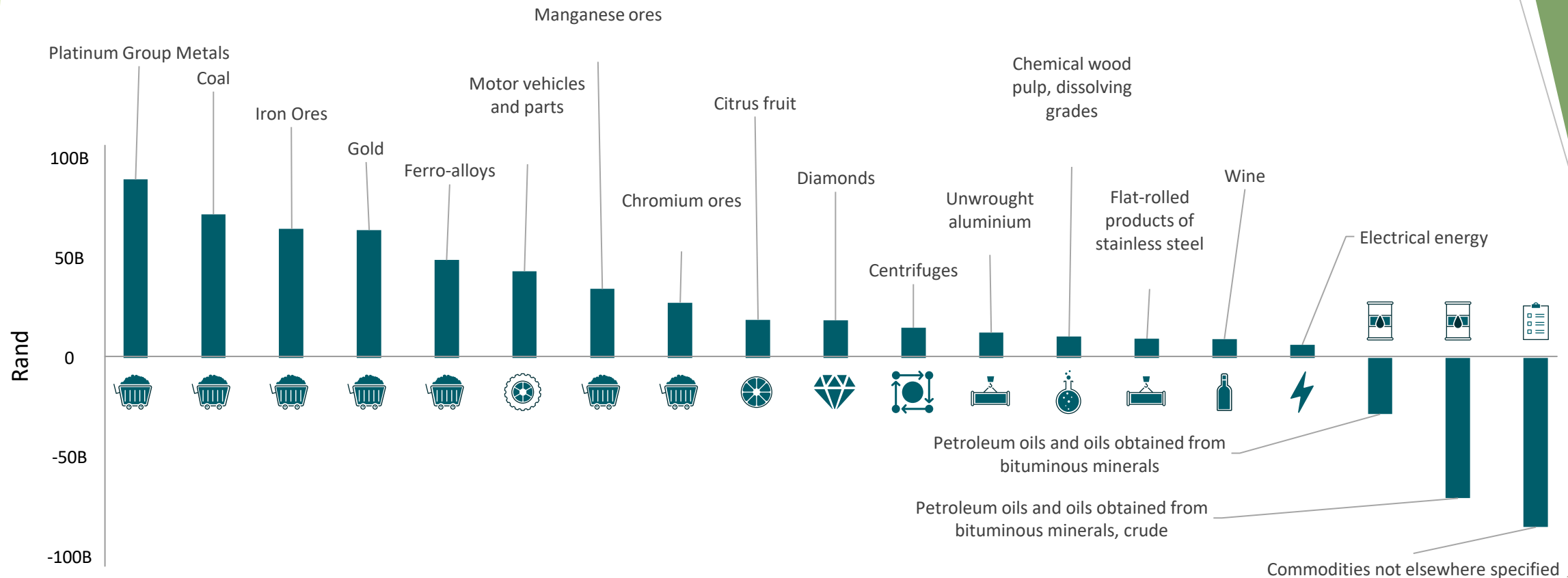


# Work by South Africa's National Business Initiative links that vulnerability to country specific trade...





# ...and to specific commodities and the national balance of payments

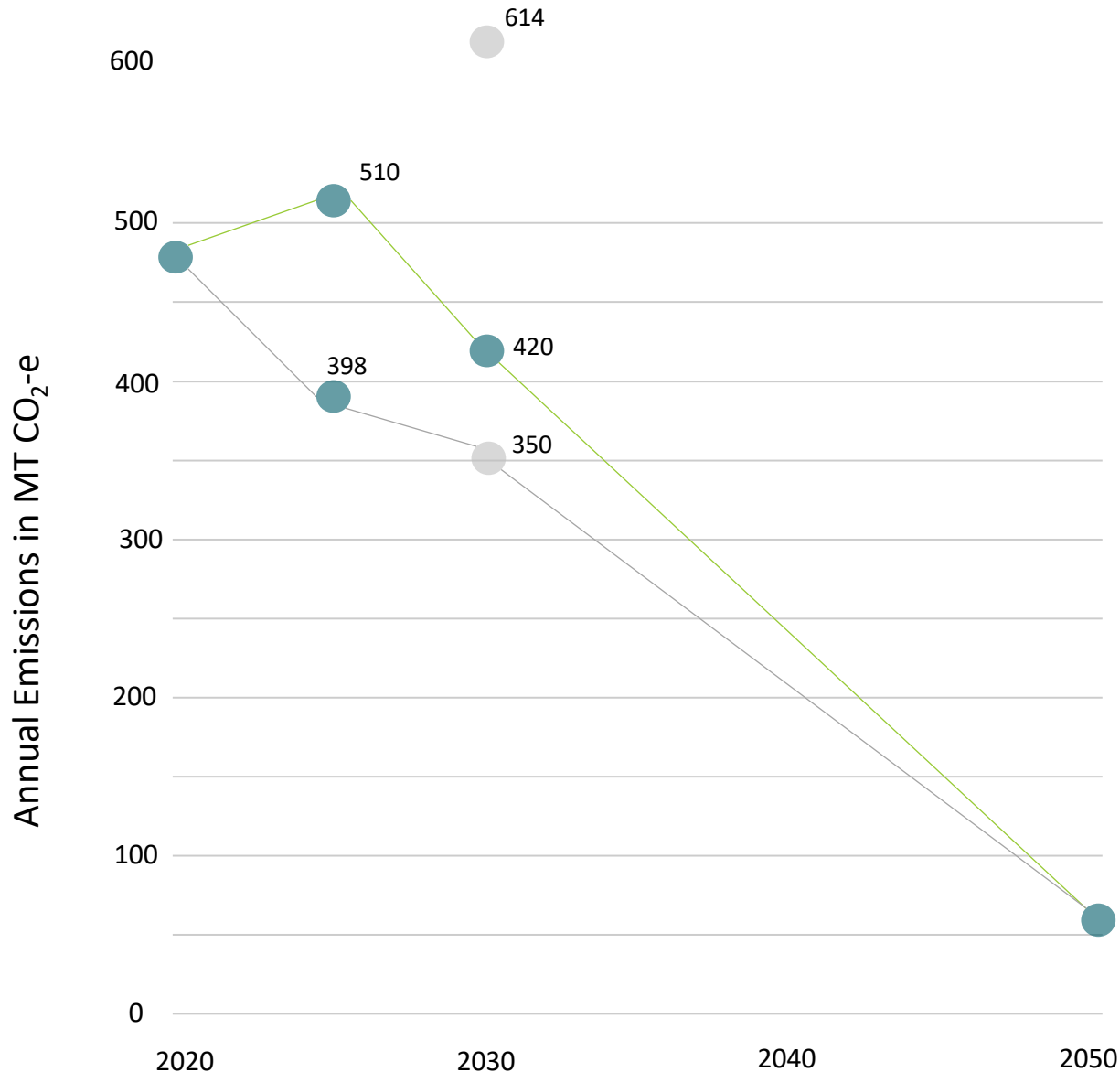




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# The South African NDC

# The submitted 2021 NDC describes our international commitment on emissions reductions



If South Africa is to reach net-zero by 2050 we need targeted investment between now and 2030 setting the stage for accelerated investment in decarbonisation post 2030. The next decade is critical.

**Given the state of South African balance sheets, international support and foreign direct investment is critical**



# International support is likely predicated on aiming for the lower bound

AFRICA

The New York Times

## ***South Africa secured \$8.5 billion to transition away from coal. It'll be a test case.***

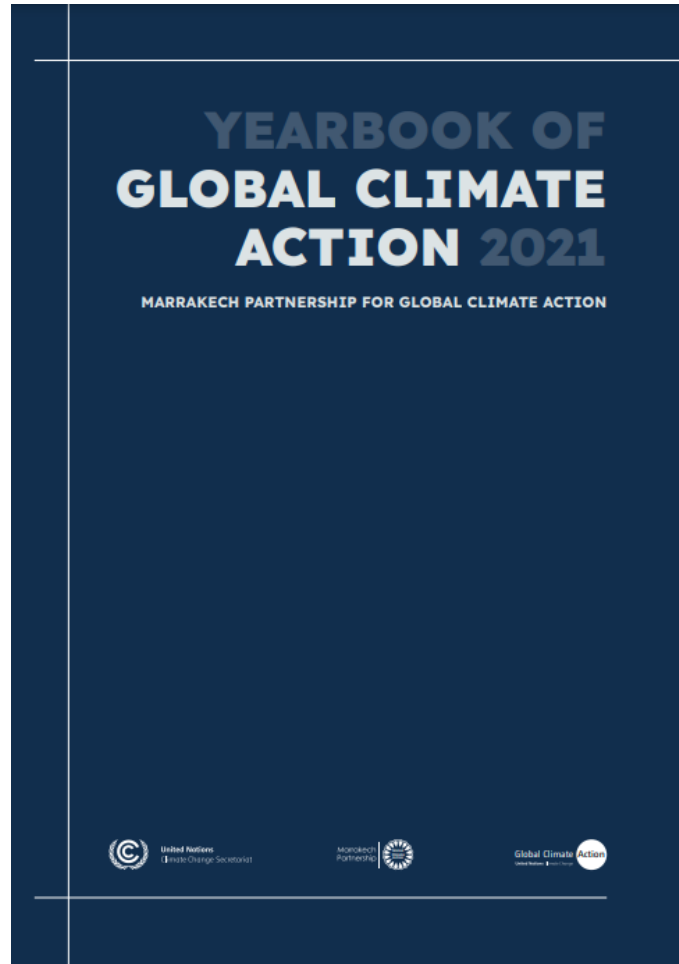
Developing nations have long said they need aid from wealthy countries to shift to renewable energy. South Africa may show how that would work in practice.



Initial South African Government Priorities are Power,  
Electric Vehicles and Hydrogen



# Implementing a climate response requires non-state actors to extremely active



- The Marrakech partnership for global climate action was deliberately set up to enhance the engagement of non-state actors
- Recognising that the implementation is not happening at national government level
- Chief amongst these are local government and business



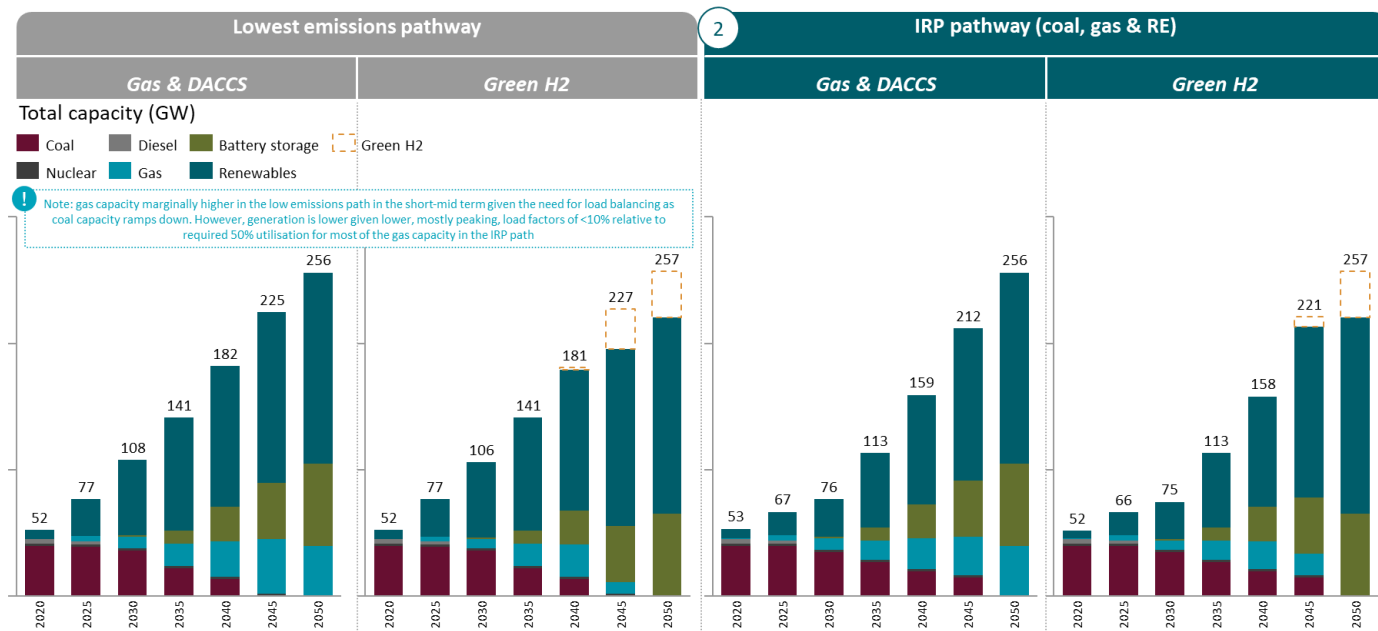




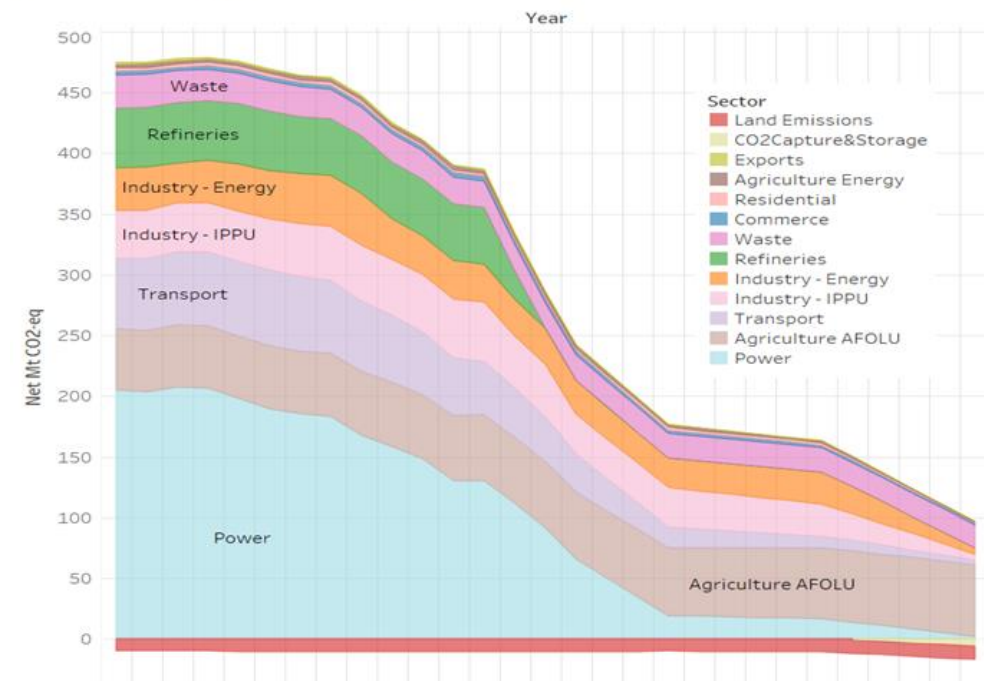
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# Pathways to Net-Zero

# There are many potential pathways to net-zero



Economy-wide GHGs (Ref scenario)



But there are common elements to all of them, especially between now and 2030

- Massive rollout of Renewable Energy (wind and solar)
  - 6 to 12 GW a year between now and 2050
- Big investment in the transmission grid
- Hydrogen plays a critical role in decarbonisation of power and of industry
- Energy efficiency is key
- Shifting freight (and passengers) from road to rail is key
- The transport fleet is fully electrified by 2050; with around a million EVs on the road by 2030

The models don't however specify where the renewable energy comes from





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What does this mean for  
local government

# There are a couple of key questions we are asking?

- 1 How will municipal energy income models change over time?
- 2 How can municipalities take advantage of wheeling and generation regulation to generate power and create revenue streams?
- 3 How can local government aggregate corporate demand? Initially anchored on meeting corporate green goals.
- 4 What kind of pricing models are needed to protect municipal revenue streams and bolster economic activity amongst small business, while protecting poor households?
- 5 How do we leverage distributed energy systems (rooftop solar) to create cheap power for poorer communities?
- 6 How can local jobs be created in installation and maintenance and what kind of skills programmes are needed; as well as what SMME support is needed?
- 7 What kind of grid connections and upgrades are needed to enable local development?







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Achieving this will take some very serious coordination and collaboration across local government and with business and other stakeholders

# Thank you

For further information [www.climatecommission.org.za](http://www.climatecommission.org.za)

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