Political Declaration on the Just Energy Transition in South Africa

Declaration from the Governments of the Republic of South Africa, the United Kingdom of Great Britain and Northern Ireland, the United States of America, the Republic of France and the Federal Republic of Germany, and the European Union.

1. *Recognising* the need for accelerated actions towards the goals and objectives of the United Nations Framework Convention on Climate Change and Paris Agreement, including the long-term goals on mitigation, adaptation and finance, to avoid the worst impacts of climate change on our countries, our people and the environment;

2. *Noting* that in order to limit the impacts of climate change, the international community needs to collectively halve global greenhouse gas emissions by 2030 and achieve global net zero CO_2 emissions by 2050, while strongly reducing other greenhouse gas emissions;

3. *Underlining* the consequent urgency of decarbonising energy systems by increasing energy efficiency, and by accelerating the retirement of coal power and the deployment of renewables;

4. *Acknowledging* that sustainable financing from developed countries, multilateral institutions and investors is required to enhance support for South Africa's transition;

5. *Emphasising* the necessity of a just, equitable and inclusive transition for workers and affected communities so that all are protected against the risks and benefit from the opportunities presented by this transition, and no one is left behind;

6. *Confirming* that the process of transition needs to be based on the full involvement of organised labour and business in targeted programmes of reskilling and upskilling, creating employment and providing other forms of support to ensure that workers are the major beneficiaries of our transition to a greener future;

7. *Acknowledging* that South Africa faces significant development challenges, including poverty, inequality and unemployment, which have been exacerbated by the impacts of the COVID-19 pandemic;

8. *Recognising* that South Africa requires a transition that is just, especially as there are several important sectors of its economy that may otherwise be negatively affected by such a transition, including mining, energy, manufacturing and transport;

9. *Welcoming*, in this context, South Africa's submission of an enhanced, ambitious Nationally Determined Contribution that strengthens the country's contribution to the adaptation and mitigation goals of the Paris Agreement;

10. *Recognising* the progress made by the Government of the Republic of South Africa – as well as leadership from Eskom, organised labour, businesses, civil society, and local governments – towards the net zero aspirations set out in South Africa's Long-Term Low Emissions Development Strategy;

11. *Noting* South Africa's intention to decommission and repurpose or repower coal-fired power stations, invest in new low-emission generation capacity such as renewables, increase energy efficiency and pursue green industrialisation such as manufacturing using green technology and a shift to the production of electric vehicles;

12. *Embracing* the opportunities for industrial innovation to create quality green jobs, increase renewable energy generation and drive sustainable economic growth for a resilient and net zero South African economy;

13. *Recognising* the unprecedented opportunity for South Africa to become a leader in the just energy transition, and the importance of global collaboration;

14. *Recognising* also the need for long term cooperation, commensurate with the timeline for South Africa's just energy transition; and

15. *Acknowledging* the commitments of developed countries to provide support, including finance, to developing countries' mitigation and adaptation efforts;

Resolve to

16. Establish an ambitious long-term partnership to support South Africa's pathway to low emissions and climate resilient development, to accelerate the just transition and the decarbonisation of the electricity system, and to develop new economic opportunities such as green hydrogen and electric vehicles amongst other interventions to support South Africa's shift towards a low carbon future.

17. Establish an inclusive task force comprised of South Africa and international partners, to enable:

    a. The accelerated decarbonisation of South Africa's electricity system to achieve the most ambitious target possible within South Africa's Nationally Determined Contribution range to the extent of available resources;

    b. South Africa's efforts to lead a just transition that protects vulnerable workers and communities, especially coal miners, women and youth, affected by the move away from coal;

    c. South Africa's nationally determined efforts to successfully and sustainably manage Eskom's debt, define the role of the private sector, and create an enabling environment through policy reform in the electricity sector, such as unbundling and improved revenue collection;

    d. Local value chains (including Micro, Small and Medium Enterprises) to benefit from new areas of economic opportunity; and

    e. Opportunities for technological innovation and private investment to drive the creation of green and quality jobs as part of a prosperous low emission economy.

18. Subject to concurrence on the investment framework, and in line with budgetary procedures and consensus on the use of funds and terms on which finance may be provided, mobilise an initial amount of approximately $8.5 billion over the next three to five years through a combination of appropriate financial instruments, which may include but is not limited to multilateral and bilateral grants, concessional loans, guarantees and private investments, and technical support to enable the just transition, with a view to longer term engagement.

19. Explore additional sources of financing and mobilise or include additional international partners, to further support South Africa's ambition.

20. This partnership is a demonstration of the willingness of both developed and developing countries to cooperate on a vital challenge facing humanity.

Annex: Taskforce Action Plan

Over the course of the next 12 months, the taskforce commits to carrying out the following plan.

21. Within six months:

    a. Pursue the political dialogue on the just transition and provide a leader level update on the advancement of the partnership;

    b. Determine the scope of supported actions;

    c. Outline terms of financing taking into account the joint commitment to enable a just transition in South Africa;

    d. Identify initial sources of financing for the first phase of a broad-based just energy transition brought forward by South Africa in the electricity and coal mining sectors, and appropriate financing options for initiating the development of the electric vehicles and green hydrogen sectors;

    e. Assist South Africa to structure sustainable financial and technical support within the broader transition to a low emission economy; and

    f. Set up coordination platforms with development finance institutions and key stakeholders to further develop the conceptual approach and leverage additional technical and financial support towards their most impactful uses.

22. Within a calendar year:

    a. Develop a full programme of work for this partnership on the basis of an investment plan for the just energy transition of the South African government, including support to address the social and economic impacts;

    b. Provide a leaders' level update to review progress;

    c. Identify potential financing instruments and policies that will act to improve Eskom's long term financial sustainability;

    d. Work to address South Africa's longer term funding needs to lower emissions across all sectors of the economy; and

    e. Identify how to leverage further financial resources including domestic resources to that effect.