

COP27: Making the 'Just Transition' a reality

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South Africa has become the exemplar for other countries hoping to table their own Just Energy Transition Partnership (JETP) deals. Dr Thuli Khumalo, chief operations officer at the Presidential Climate Commission (PCC), told GIBS Dean, Professor Morris Mthombeni the distinguishing factor of South Africa's JET plan is that it ensures inclusivity in the climate change conversation.

Other developing countries, such as Indonesia and Vietnam, are looking to South Africa for guidance following the successful negotiation of an \$8.5bn funding arrangement that will see the country transition off fossil fuels, most notably coal.



The 2022 United Nations Climate Change Conference, more commonly referred to as the Conference of the Parties of the UNFCCC, or COP27, is currently being held in Egypt. It is an opportunity to have crucial conversations around financing and support for climate change interventions, bringing together leaders from business, finance, and government to determine the need for collective action.

COP26, held in Glasgow in 2021, was a “watershed year for South Africa,” Khumalo explained. It was there that the country was able to reach the \$8.5bn agreement with France, Germany, the UK, the US, and the EU to support South Africa’s transition to a low-carbon economy. The deal will see the partner countries mobilise funding over the next three to five years through a range of instruments, including grants and concessional finance.

The agreement was in response to South Africa's commitment to reducing greenhouse gas emissions. However, “We can do only so much with our own resources, but we need help,” sustainability expert Khumalo, who joined the PCC in 2021, said.

The PCC was tasked to oversee the just transition to a low-carbon economy and a climate-resilient society. The goal of the just energy transition is to migrate to cleaner sources of fuel while retraining and returning economic activity to the affected areas.

“We want to use this transition as a country to rebuild the economy and create more jobs, and more quality jobs,” Khumalo said.

“What makes our Just Transition Framework exemplary is the fact that it has been widely consulted within communities in South Africa,” Khumalo explained, “Especially with those in areas where coal is being mined. It has taken the voices of almost everyone in those areas into account and is a broad vision and agreement by South Africans of what we want to see in a transition.”

In the interest of transparency, even the terms of the investment have been put out to the public for consultation, she added.

Governance challenges and issues of corruption have been raised as concerns as the investment negotiations progressed. “There is always a question around South Africa and corruption, but I think the issues of corruption are being dealt with decisiveness, which is giving hope to people who are looking in from the outside,” Khumalo said.

“The President has set up structures to deal with the issues of climate change, ensuring that there is transparency for all stakeholders in the conversation. It gives hope that there will be accountability. Our treasury processes have been regarded internationally as very rigorous,” she added.

Questions around governance issues are by no means unique to South Africa. Transparency has been flagged as important, especially among developing countries, for both funders and recipients, Khumalo said. “Countries have to clearly show what they will do to guarantee the funds go where they are supposed to go.”

Climate mitigation and adaptation strategies

Current investment plans are largely focused on climate mitigation. As one of the most carbon-intensive economies in the world, South Africa has prioritised several sectors, including electricity, hydrogen, and electric vehicles, for mitigation.

Overall, however, the climate conversation takes into account climate adaptation, loss and damage, as well as climate finance.

“South Africa needs to focus largely on adaptation,” Khumalo said. “Most countries face one climate change disaster. South Africa doesn’t only have one need, we face drought and flood simultaneously.”

Current negotiations have focussed on an adaptation fund to be established for developing countries.

However, the issue of loss and damage has not yet been agreed upon. “Those are still the two most difficult parts of the negotiations,” Khumalo said. “And it is what Africa needs most because our contribution to global emissions is much lower than that of the rest of the world.”

Professor Mthombeni asked whether the dual demands of loss and damage, as well as that of an adaptation fund, “may be a bridge too far for this round” of COP negotiation and that delegates might have to prioritise one over the other, Khumalo asserted: At this stage, they are trying to push both.”

“The negotiators have failed to find a middle ground and get the commitment that we were looking for as developing countries. But they’re still pushing because it is part of the Paris agreement,” she concluded.

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