

JUST TRANSITION IN ACTION

Just Transition Project Characteristics and Challenges in South Africa

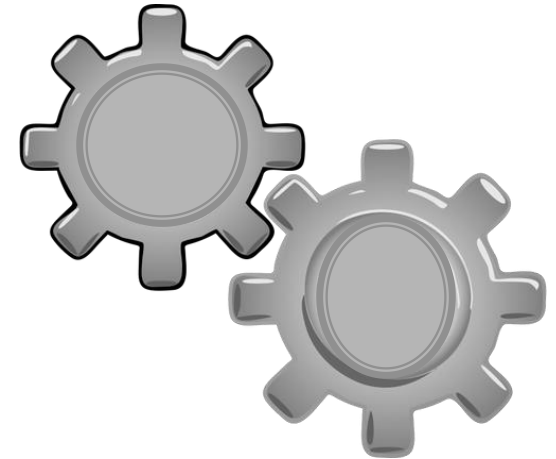
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Setting the Scene

- Climate Change and related social and economic impacts already being felt in SA.
 - Need to ACTIVELY manage risk and seize opportunities
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- Overarching focus is not only LEAVE NO ONE BEHIND but some have view to use Just Transition to tackle poverty, inequality and unemployment so as to IMPROVE the lives of South Africans
 - Concept of JUSTICE is thus crucial to framing the just transition discourse and action agenda

Necessary to move idea of a Just Transition from a STRATOSPHERIC LEVEL to on the ground REAL PROJECTS that are sustainable and offer alternative livelihoods



Complement top down theoretical thinking and policy making with bottom up real experiential learning by doing

Dimensions of a just transition

Procedural justice

- ▶ Focuses on an inclusive process
- ▶ Recognises marginalised groups by including them in decision-making processes; and enabling/ empowering broad stakeholder

Distributive justice

Deals with the distribution of risks and responsibilities
Aims to address a “double inequality” around responsibilities (who pays?) and impacts (who benefits? And how?)

Restorative justice

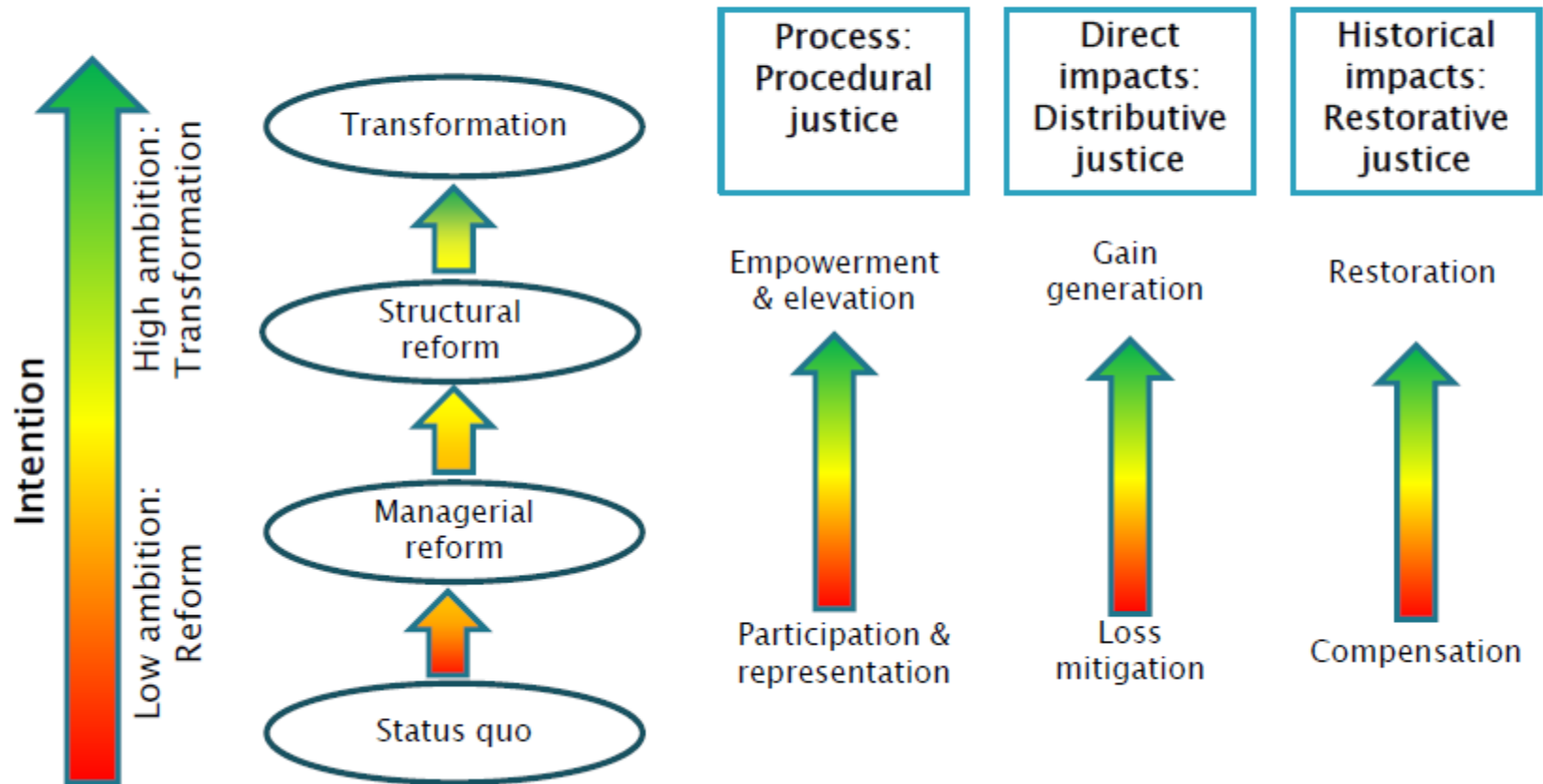
- ▶ Considers past, present and future damages that have occurred against individuals, communities and the environment
- ▶ Provides opportunities to rectify or ameliorate the situations of harmed or disenfranchised communities



Source: Gaylor Montmasson– Clair, TIPS 2021

Dimensions of a just transition

Rectangular Ship



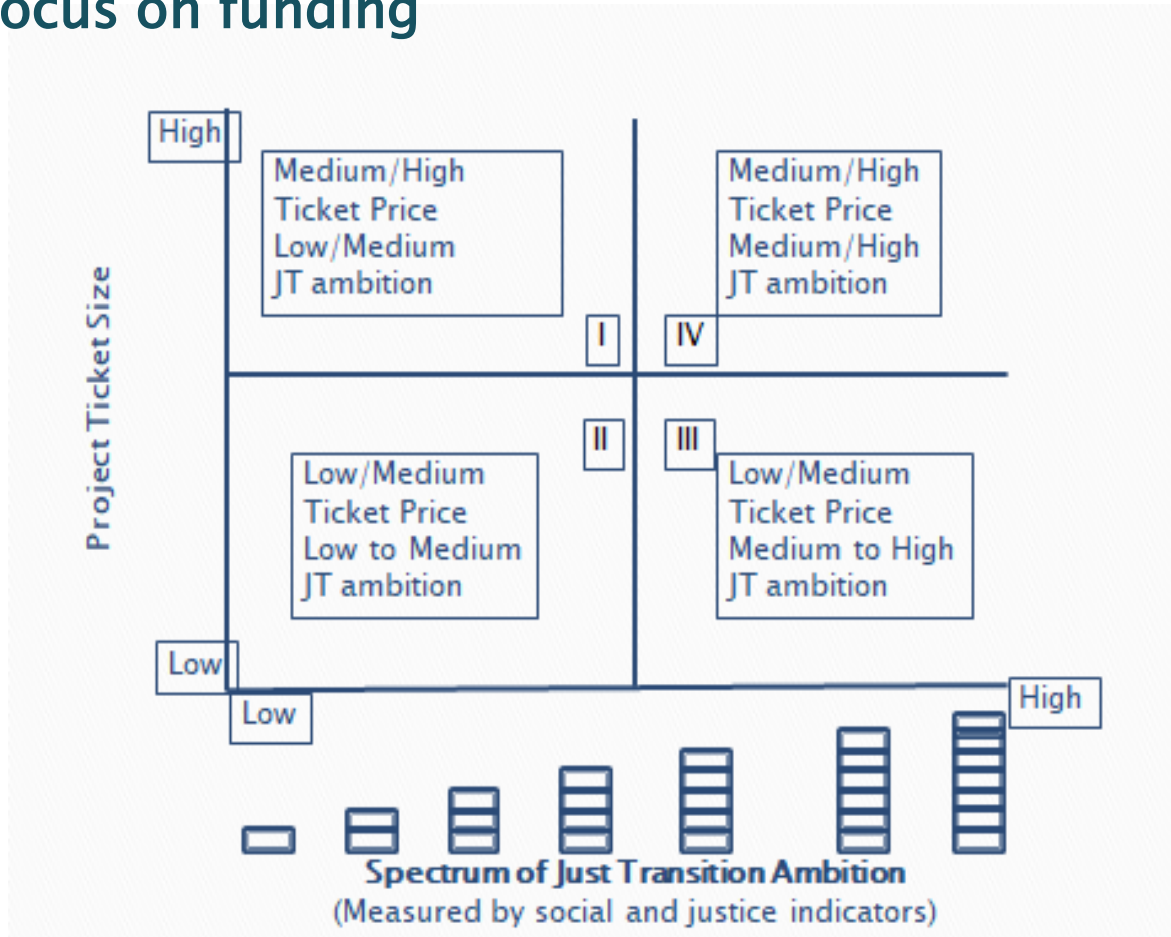
Source: Gaylor Montmasson- Clair, TIPS 2021

Using range of ambition to begin to chart just transition projects and characteristics

- **Place based research**
 - Mpumalanga; Just Energy Transition as learning and experimenting on the ground
- **Differentiated Project Drivers**
 - Captured projects from: national, provincial, local, municipal, district, chambers of commerce, mining houses, Eskom, big industry players, SPV's, CSIR
- **Project identification**
 - Self identified as being JT
 - excluded any fossil fuel or brown projects
 - Included green and non green but economic diversification opportunities
 - Excludes unsustainable CSI and SLP activities which do not actively feed into commercially viable opportunities*
- **Creating an Evidence Base**
 - Projects completed surveys with commercial, financial and social information
 - 26 projects
 - varying levels of development; min requirement specific champion and some budget

A Framework to think about a universe of place based projects:

Focus on funding



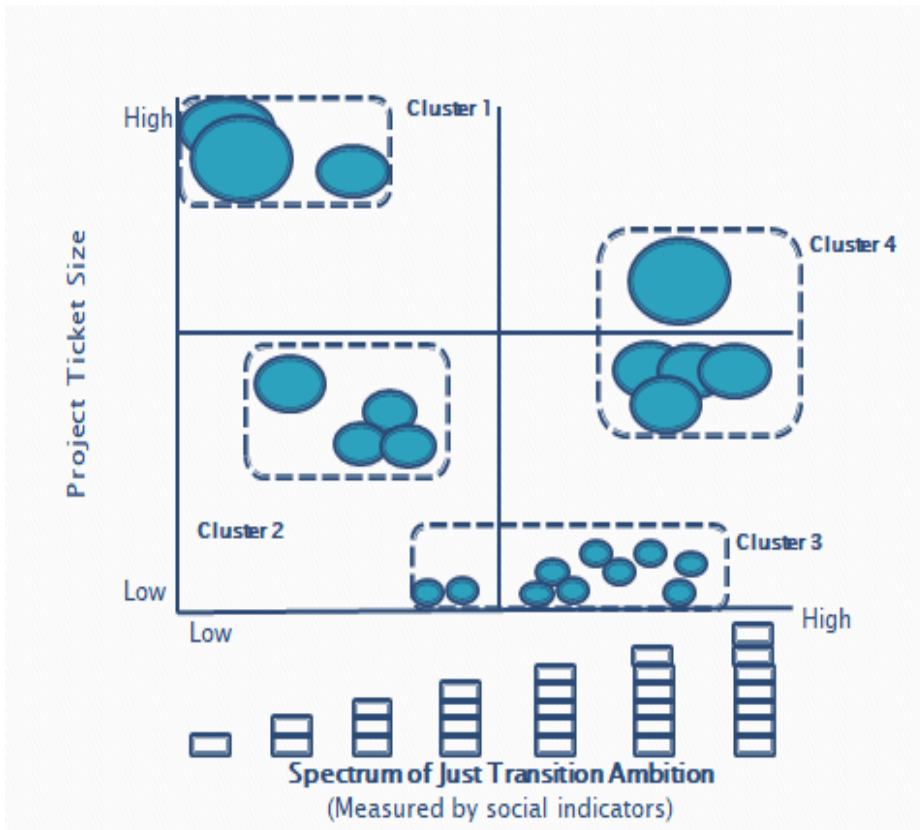
Ticket Price: identified as the most basic variable that a financial institution initially considers when presented with an investment opportunity

Spectrum of Ambition: identifies a project's aspirations in terms of procedural, distributive and restorative justice. *Aspirations will be measured in terms of social indicators*

Lower Ambition project aspires to create alternative decent jobs for displaced workers

Higher ambition project aspires to create decent jobs for displaced workers+ new livelihood opportunities for proximate community+ reskilling and retraining for workers and community+ increased access to services+ increase in community asset ownership +rehabilitation of environment

Sample of Identified Projects Broad Observations



- All projects are important and have a role to play to achieving a just transition. Not necessarily a preference for higher ambition e.g. given general and youth unemployment in Mpumalanga – creation of a decent job must be viewed as a desirable project outcome
- Some project which *in themselves* have low just transition ambitions characteristics **may lead to important future downstream activities** which have meaningful social and economic impacts for workers and communities in the area and for the environment. *Model weakness that this is not captured. This is not JT washing.*
- Many projects are part of an **interconnected** and interdependent suite of projects

JT Project Level Characteristics

Technological Characteristics

- Novel technology
- Untested/no track record
- Often multiple novel technologies rolled out simultaneously
- Piloting then scaling/replicability
- Policy and permissions bottlenecks

Boundaries

- Most environmental interventions are designed at a natural system level and not limited by political boundaries or proximate communities
- More beneficiaries and stakeholders to be accommodated

Sectoral Bias

- Environmental restoration
- Biodiversity
- Agriculture
- Few industrial / manufacturing projects

Financial Characteristics

- Suites of projects require funding as one (co-ordinate grant, concessionary, patient, impact and commercial in a package)
- Involvement of financial sector earlier in project life cycle and add technical assistance to BAU offering
- New risk assessment frameworks (parties to transaction with no track record, pricing technology risk, risk pooling and not cherry picking)

Trade & Industrial Policy Strategies

Supporting policy development
through research and dialogue

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