

South Africa's JETP

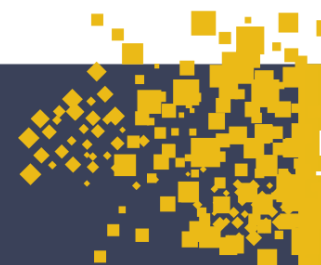
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Background



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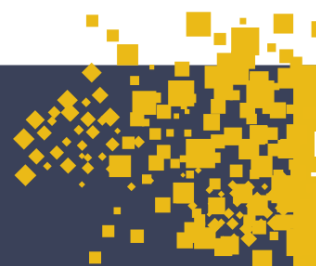
- South Africa's JETP is the first – announced at COP 26 in Glasgow, with a detailed plan for implementing a JET (2023 – 27) presented at COP 27. The JETP **contributes** to that plan.
- The vision and objectives of the JETP are articulated in a Political Declaration, which aims to “establish an ambitious 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.”
- The JETP model is a climate financing approach specifically focused on delivering a **just energy transition**, defined in terms of mitigating the negative social and economic impact of the move away from coal
- Funding is linked to the decommissioning of coal plants
- The Political Declaration committed to the (initial) mobilisation of \$8.5bn (within an overall IP of \$98bn), but there is currently very little clarity about how/when that funding will materialise or how it will be allocated
- The JETP’s ‘implementation’ is thus linked in multiple ways to the implementation of the over-arching IP, which has only now commenced: the quicker the progress on the IP the quicker (in theory) the milestones for the JETP funding will be. Conversely, evidence of JETP funding can support a more rapid IP implementation





Is a JETP sufficient to catalyse a JET?

- A JETP is only a contributing input to a (just) energy transition, not a substitute, but it is intended to be a ‘catalytic’ intervention.
- It is based on the assumption that a particular kind of financial incentive package will ‘encourage’ a JET. It is therefore based on the implicit assumptions that:
 1. A country has an existing strong national commitment to a decarbonisation agenda; and
 2. That the promise of access to finance will accelerate the implementation of that agenda.
- This is the vision, but the reality in the South African context is much more complicated, and the obstacles to be overcome in a successful energy transition more numerous and complex than the JETP framework seems to be implying
- We would highlight the following:
 - There is no unified (political or popular) commitment to rapid decarbonisation;
 - The current definition of what constitutes a ‘just’ transition is inadequate to build that popular consensus.
 - South Africa is a low-capability state



Key Issues: Support for coal/opposition to renewables



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- ‘Catalytic’ interventions aimed at accelerating transition need to be focused on the issues that are actual barriers to a rapid transition, and not just on the assumption of what those are (although the funding model has disappointed, it is not the most important issue)
- Support for coal (*de facto* opposition to renewables) is widespread (and appears to be growing). The electricity supply crisis could have been the ideal basis for a rapid transition to renewables, but in some quarters is becoming the excuse for doubling down on coal.
- There are multiple contributors to this state of affairs:
 - Vested interests in coal
 - Large amounts of misinformation re the efficacy of renewables and the reasons for poor coal plant performance
 - The current definition of a “just” transition means little for the vast majority of people: despite the inclusion of a comprehensive definition of justice, the practice reflects a narrow focus on mitigation of decarbonisation and historical impacts of coal mining.
 - The “unjustness” of the current energy system is felt by most South Africans in the inability to access (afford) electricity, but universal affordable access is not a JETP focus area. As a result, there is little alignment between the interests of the JETP and the self-identified interests in the power of the majority of South Africans
- In this context, the promise of a relatively small amount of funding on barely concessional terms is clearly not going to be any kind of catalyst, or address any of the most important underlying challenges to implementing a JET





Now what?

- In theory, a multi-lateral Just Energy Transition Partnership is an excellent idea: energy transition is a global problem that requires global solutions.
- BUT – it needs to be a partnership in the genuine sense of the word, it needs to be built on much more than the carrot of funding in return for delivering a pre-determined list of objectives
- A meaningful JETP is one that:
 - Is mindful of local context (and the priorities of people in the partner country)
 - Has the long-term goal of creating an alignment of interests around a rapid decarbonisation strategy (which requires a comprehensive and equitable ‘transition dividend’ from that)
 - Is committed to co-creation (with a much wider group than is common) in problem definition and problem solving (including the capability of the state).

Thank you



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