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UK-African Partnerships for Just Energy Transitions in Africa The Groundwork Trust groundWork, Friends of the Earth, South Africa

CLIMATE JUSTICE FOR SOUTH AFRICANS

Introduction

Thank you to the UK All Party Parliamentary Group for Africa for the opportunity to present a submission on the Just Transition in South Africa.

groundWork is recognised as a leading South African NGO working on industrial pollution issues. It was formed in 1999 to support people's struggles for environmental justice starting with people living on the fencelines of petrochemicals industries and waste facilities. groundWork defines environmental justice as: "Empowered people in relations of solidarity and equity with each other and in non-degrading and positive relationships with their environments."

Environmental justice is thus integral to justice in general and to the realisation of rights. The environment right in South Africa's Constitution gives people the right to 'an environment that is not harmful to their health or well-being' and mandates development that is 'ecologically sustainable'. It must be read with other rights: the right to equality means that black and poor people should not bear the brunt of pollution while rights relating to participation, including rights to information and assembly, mean they may not be excluded from decision making; the 'socioeconomic' rights to housing, water, clean energy, sanitation and waste services are integral to the meaning of the environment right.

groundWork works with a broad spectrum of people, ranging from NGOs, community organisations and peoples' movements to governments and administrators (mainly in the health sector), primarily in South Africa, but also in Southern Africa and Africa.

groundWork works primarily with people who are challenging environmental racism and injustice on the ground and fighting for democratic control over resources such as energy and waste, for their Constitutional right to 'an environment that is not harmful to their health and well-being', and for their livelihoods.

The unjust transition?

A Just Transition has been at issue in groundWork campaign activity for two decades with, since 2016, the focus on coal. groundWork's overall positioning on just transition is that to be just, it must be about system change; the wholesale transformation of relations of power and the way the world works. And it is given concrete form in the open political agenda developed with coal affected communities. This is not, however, produced on a blank slate outside history. On the one hand is the uneven and messy decline of political and economic institutions that were themselves produced through a history full of brutality and deceit. On the other, the environmental and climate crisis is growing ever more intense and will exact rising costs.

The PCC and JET-P

Since 2019, the just transition debate has moved fast, with some social actors shifting their positions. This process has been driven by on the ground activism, the growing climate and environmental justice movements and through formal 'stakeholder' dialogues – at national level, the Presidential Climate Commission (PCC), and locally on the Highveld, the dialogues organised by Trade and Industry Policy Strategies (TIPS), the National Labour and Economic Development Institute (Naledi) and groundWork. The commission pushed the debate at fast pace and at high level but was also challenged to engage communities and workers.

The PCC was mandated to build a national consensus for a just transition. The question is whose consensus and transition to what. The major business forums led by the National Business Initiative (NBI) moved fast to establish the elite answer: an expanded power system based on privatised renewables with some gas, electric vehicles in place of internal combustion engines (ICE), and 'green' hydrogen to address 'difficult to abate' sectors (iron and steel, cement, aviation). This agenda brings major corporations of the minerals energy complex [Fine & Rustomjee 1996] – including Anglo, Sasol and Eskom – into the business camp for an energy transition and all are careful to add the word 'just'. The basic vision is ecological modernisation: reindustrialising the economy and remaking the MEC around renewables and associated minerals while reproducing existing relations of power. For the most part, justice must trickle down.

The PCC did not preside over the question of funding the transition. Various negotiations leading up to CoP 26, the climate negotiations in Glasgow, culminated in the announcement of the Just Energy Transition Partnership (JETP) between South Africa and the Northern powers who promised \$8.5 billion (R130 billion) funding for the transition. President Cyril Ramaphosa then established the

Presidential Climate Finance Task Team (PCFTT) to negotiate the deal for South Africa. The task team produced an overall Just Energy Transition Investment Plan (JET IP) for the next five years, looking at who should pay for what and estimating the cost at R1.5 trillion. The JETP contribution was negotiated within this frame while its value shrank on scrutiny.

JT on the ground

The actual transition hits the ground at <u>Komati</u>, the first power station to formally shut down. The World Bank is the main funder for this project and says it will provide a demonstration of how the just transition will work. The coal value chain is framed to suggest that the end of coal can be managed within the existing capitalist order. In Komati, it finds people unprepared for the end of coal and confronted by a set of plans for 'repowering' and 'repurposing' Komati to which only a few had made input through focus groups. It is a far cry from the promise in the JTF to "put people at the centre of decision making".

Dash for gas in Africa

Next to coal, the transition from oil and gas is getting more attention. On the ground in south Durban, communities called for a just transition when the Engen refinery shut down following yet another explosion at the plant. Shell and BP closed their Sapref plant in 2022 as the oil majors prefer to import refined fuels rather than invest in meeting new fuel specifications. Meanwhile, struggles around oil and gas are intensifying, locally, regionally and globally.

The dash for gas in Africa sees governments looking at new finds as a bonanza. With the support of transnational oil and gas corporations, they proclaim the right to develop it in the name of development or even of climate justice, and brand resistance as the work of neo-colonial interests. The extraordinary mobilisation against offshore oil and gas in South Africa, the result of building a campaign over several years, led to the court victories which stopped two seismic surveys. The next big offshore battle is against Total which is applying for a production right. Onshore, government is winding up the rhetoric in favour of fracking for shale gas while minor companies are betting big on coal bed methane.

Justice, open democracy and power

This brings us back to the question, 'What transition?' Government is obviously central to the transition. The demand, and fight, for open democracy is thus part of the community just transition agenda. This goes beyond 'procedural justice', as exclusion is constitutive of inequality. Democratic decision making is thus a precondition for creating an egalitarian society and implies that present power relations are overturned.

However, the state and government are already compromised: first, they are subservient to capital; second, corruption, always a feature of the modern state, is now pervasive and both symptom and cause of a wider societal breakdown; third, energy and economic systems are in crisis; and fourth, the crisis of the biosphere is exacting exponentially increasing costs. Thus, the prospects for a just transition are

scarcely propitious. Communities – the common people – are fighting for their lives as they fight for justice. On the one hand, the fight is for the societal imaginary – creating a counterhegemony to challenge the common sense of capitalist society – and, on the other, for specific objectives such as political accountability, functional services or technology transitions. The course and outcome of these struggles is not assured – there will be wins, losses and partial win/losses.

As is already the case, people need to fight through the unfolding situation rather than subordinate strategies to engraved positions which end in paralysis or defeat. At the same time, they need to increase their autonomous control of resources, for example through food or energy sovereignty programmes, as well as the capacity for coordination and effective solidarity to expand strategic options including on policy and government resources.

Energy democracy

Renewable energy is undermined and underplayed in political and business dialogues due to the hidden agenda of politicians and businessmen in the country. The Energy Democracy project promotes the generation and utilisation of community energy. It supports the development of microgrids through local level generation that is not centrally controlled. Communities in South Durban's petrochemical-impacted community, landless people in Cato Crest, and informal settlements located in the shadow of the electricity heartland of South Africa, the Highveld, are partnering to create a dialogue on energy sovereignty. The introduction of RE feed-in tariffs by local municipalities encourages self-generation but these marginalised communities require substantial financial assistance to achieve these goals. A prescient idea developing from the combined learning of this campaigning and the PCC JET-IP processes is the extension of free basic electricity (FBE). This will go beyond poverty-stricken homes to create a holistic, community-driven approach to energy generation, where subsidised access to RE is implemented and democratic participation in energy governance is observed.

UK Action

The path forward for the JT in South Africa requires the following dedicated actions:

- 1. That the path forward needed inclusive, participatory planning and decision-making that is transparent and accountable and puts justice at the core.
- 2. The just transition must be considered from an economy-wide perspective and not only as an energy transition.
- 3. There needs to be a proactive and managed approach to systemic and structural changes to the economy to avoid social and economic disruption. This includes the negotiation of labour and social plans (SLP's) for sectors impacted by the transition.
- 4. Collaboration, partnership and good governance is central to achieving a just transition. Without the participation of all stakeholders, especially workers, there will be no just transition.

- 5. Political will is essential to enable vertically integrated policies and regulations to support the transition.
- 6. Policy alignment and implementation is critical.
- 7. Information and knowledge sharing, transparent data, awareness, and communication with all parties, will facilitate the planning for a just transition.
- 8. Costing the pathways for a just transition, including the identification and mobilisation of resources for this is critical for the achievement of a just transition.
- 9. It will be critical to invest in education, skilling and reskilling.

The UK government also needs to call out fossil fuel majors that are hypocritical in their climate change mitigation actions by committing to more stringent practices in home countries compared to their activities in the Global South. The UK, as the hub of international finance, also requires more stringent controls, in particular on illicit financial flows that accompany these activities. The transfer of ownership and assets between parent and subsidiary companies has long been overlooked by discrete governments. This has taken a further sinister turn in South Africa as Black Economic Empowerment (BEE) companies have purchased mines and other production facilities in their death throes and been left burdened with rehabilitation, social and other costs associated with closure and environmental damages.

Financing the JT

Based on the work of the Blended Finance Taskforce and Centre for Sustainability Transitions, the JTF says the transition "will require significant capital mobilisation, from both public and private sources, both domestically and internationally" estimated to be at least US\$250 billion (R4.25 trillion) over the next three decades to transform the energy system, with at least \$10 billion (R170 billion) allocated toward "climate justice outcomes" – which the JTF calls "the heart of the transition" – to support workers and communities in the transition, e.g. compensation, retraining, relocation, and rehabilitation of regions and communities.

Concluding remarks

Climate change is a crisis of capitalism. There are profound links between fossil fuels – coal, oil and gas – as well as nuclear, and the capitalist economy. The deep transition away from fossil fuels creates the opportunity to fundamentally redesign our economies, the relationships between people and between people and nature. We thank you for this opportunity to provide responses to the APPG and look forward to further vigorous debate on these topics.

Please find the following resources that could assist in your enquiry:

Contested Transition: State and Capital Against Community

https://groundwork.org.za/wp-content/uploads/2023/03/gW-Report-2022-forweb.pdf

Down to Zero: The politics of just transition

https://groundwork.org.za/wp-content/uploads/2022/07/down-to-zero.pdf

Just Transition Open Agenda

https://lifeaftercoal.org.za/wp-content/uploads/2022/04/Life-After-Coal-Just-Transition-Open-Agenda-Book-May-2022.pdf

Yours sincerely,

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