



Council of the
European Union

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LIMITE

DEVGEN 189
ENV 775
CLIMA 314
COAFR 301
ENER 445
RELEX 893
ACP 101

NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Just Energy Transition Partnership in support of the Just Transition in South Africa - Declaration

If further adjustments to the non-binding instrument are required, the latter may be adapted accordingly provided that the changes do not affect the substance and intent of the text.

Just Energy Transition Partnership in Support of the Just Transition in South Africa

The Governments of ...X, Y, Z

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;

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 CO₂ emissions by 2050, while strongly reducing other greenhouse gas emissions;

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;

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;

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;

Acknowledging that South Africa is an African and Emerging Market and Middle Income country that faces significant development challenges, including poverty, inequality and unemployment, which have been exacerbated by the impacts of the COVID-19 pandemic;

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, transport and the biodiversity economy;

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;

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;

Noting South Africa's intention to decommission and repurpose or repower coal-fired power stations, invest in new low-carbon 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;

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;

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

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

Resolve 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.

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

- The accelerated decarbonisation of South Africa's electricity system towards 350 Mt CO₂-eq, the lower range of South Africa's Nationally Determined Contribution;
- 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;
- 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;
- Local value chains (including Micro, Small and Medium Enterprises) to benefit from new areas of economic opportunity;
- Opportunities for technological innovation and private investment to drive the creation of green and quality jobs as part of a prosperous low emission economy.

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 [insert figure] 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 and non-concessional loans, guarantees and private investments, and technical support to enable the just transition, with a view to longer term engagement.

Mobilise or include additional international partners, to further support South Africa's ambition.

In the interim, request the taskforce to carry out the following tasks.

Within six months:

- Pursue the political dialogue on the just transition and provide a leader level update on the advancement of the partnership;
- Determine the scope of supported actions;
- Outline terms of financing taking into account the joint commitment to enable a just transition in South Africa;
- 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;
- Explore financing for subsequent phases of the transition, including in the electric vehicles and green hydrogen sectors;
- Assist South Africa to structure sustainable financial and technical support within the broader transition to a low emission economy; and
- 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.

Within a calendar year:

- 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;
- Provide a leaders' level update to review progress;
- Identify potential financing instruments and policies that will act to improve Eskom's long term financial sustainability;
- Explore financing for subsequent phases of the transition, including in the electric vehicle and green hydrogen sectors;
- Work to address South Africa's longer term funding needs to lower emissions across all sectors of the economy; and
- Identify how to leverage further financial resources including domestic resources to that effect.

This Partnership was signed in the English language and constitutes political commitments of the participant Governments.

Glasgow, date [TBC]
