Just transition to a low carbon, climate resilient economy & society

Background and context
Chapter 5: Environmental Sustainability & an Equitable Transition to a Low Carbon, Climate Resilient Economy and Society

- Context in NDP
- Chapter 5: Environmental Sustainability & an Equitable Transition to a Low Carbon, Climate Resilient Economy and Society
- Unresolved issues
- Pathways to a Just Transition – Process
The plan "costic"

- Too few jobs
- Crumbling infrastructure
- Divided communities
- Resource intensive economy
- Spatial divides
- Poor education
- High disease burden
- Poor public service
- Corruption

Poverty and Inequality
Chapter 5: End state 2030

• By 2030 – An environmentally sustainable society, expanded low-carbon economy and reduced emissions

• **South Africa has reduced poverty and unemployment to socially sustainable levels, as emissions reach a plateau.**

• **Thriving rural communities are providing an economic and social base for a significant number of people.**

• Urban development is more compact and energy efficient.

• Growing public awareness of the consequences of climate change and unconstrained consumption of our natural resources leads to a refocusing of political priorities towards the protection and rehabilitation of the region’s natural assets.

• **Investment in low-carbon and climate-resilient infrastructure has enabled South Africa to export and profit from its technologies and skills, and benefit sectors that deliver enhanced energy, food and water security, new high-quality job opportunities, and improved quality of life.**

• The state is well capacitated and comfortably manages its policy, regulatory and support functions.

• **The transition has been aligned with South Africa’s efforts to address poverty and inequality.**

• The benefits of building resilience are evident in the strides towards a flourishing and prosperous nation. Various incentive frameworks and a suite of comprehensive carbon-pricing policies have catalysed high levels of private investment in mitigation and adaptation activities, and generated public resources for reducing emissions.
The transition to a low-carbon economy is complex. We have high levels of CO2 emissions, which requires commitment to reducing our greenhouse gas footprint. Our economic development is hugely dependent on fossil fuels, and we have significant coal resources. However, we also have unacceptably high levels of poverty, unemployment, and inequality.

The process of transitioning to a low-carbon and climate-resilient economy must be centrally focused on eradicating poverty and reducing inequality. This will require an expanded renewable energy programme, appropriate policy instruments, proactive and transparent government actions, better and effective regulation around carbon pricing, building and construction standards, transport; and robust M&E.

**GUIDING PRINCIPLES**

- Just, ethical and sustainable
- Global human solidarity
- Ecosystems approach – human well-being dependent on well-being of the planet
- Strategic planning – apply a systems perspective, dynamic, flexible and responsive to emerging risk and opportunity and the effective management of trade-offs
- Transformative
- A managed transition
- Opportunity focused
- Full cost accounting – internalise externality costs
- Effective participation of social partners
- Balance evidence-collection with immediate action
- Sound policy making
- Least regret – invest early
- Regional approach
- Accountability
Some unresolved issues

• Transition costs – how much, who pays, who bears the costs
• Role of energy efficiency – ambition, scale, instruments
• Energy Mix - Role of coal, nuclear, gas in the transition
• How to build resilience – communities, economic sectors, eg. Drought and other extreme weather events
• How do we maximise job creation and how do we deal with job losses?
• Types of incentives
• When, where and how do you cushion the poor?
• When, where and how do we cushion “losing” sectors?
• How do we deal with Trade offs, lock-ins and sunken costs
• Shape and structure of the energy industry
• Competitiveness – short term versus long term
• Restructured Economy?
• Development model?
Chapter 5 in the NDP was a high level first round of recommendations – peg in the ground

Phase 2 of the work will now commence. This will be a year long Initiative bringing together a group of social partners and experts at a high level for a series of dialogues on which is the best Pathway for a Just Transition. A series of wider stakeholder engagement will also be convened.

Aim to develop consensus on a vision for 2050 and plot the different paths to transition to low carbon society that also addresses the triple challenge of reducing poverty & inequality and creating jobs

Potential to use this consensus as basis for a social compact in the country
Transition to a low-carbon economy

What is a Just Transition?

**Just Transition** is a framework that has been developed by the trade union movement to encompass a range of social interventions needed to secure workers' jobs and livelihoods when economies are shifting to sustainable production, including avoiding climate change, protecting biodiversity, and ending war, among other challenges.

It has been broadened beyond a focus on protecting workers only, but also encompasses wider society, especially the most vulnerable, viz poor and working class communities.
The transition to a low-carbon economy is complex. We have high levels of CO2 emissions. This requires commitment to our economic development being hugely dependent on fossil fuels. We have significant coal resources. We have unacceptably high levels of poverty, unemployment and inequality. The process of transitioning to a low carbon and climate resilient economy has to place eradicating poverty and reducing inequality at the centre.

Proposed Approach for this Process

We need to ensure a long-term planned and managed transition that:

• Sets out a vision of long term end state together with pathways to get there and milestones
• Is economy and society wide in scope
• Places eradicating poverty and inequality at the center
• Is Just and equitable
• Is transformative and urgent in nature and scale
• Is transparent and inclusive
• Identifies and deals with trade-offs – especially in key sectors
• Builds social cohesion (solidarity)
Thank you
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