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Dear Sirs and Mesdames

SOUTH AFRICA'S PARTICIPATION IN THE JUST ENERGY TRANSITION PARTNERSHIP ("JETP"): CIVIL SOCIETY PARTICIPATION AND INPUT

1. We write to you as two South African civil society coalitions: the Life after Coal Campaign (LAC)¹ and Fair Finance Southern Africa (FFSA)².
2. We refer to [our letter dated 17 February 2022](#), in which we stated our commitment to supporting and informing the work of the Presidential Climate Finance Task Team (“PCFTT”). We indicated that we would closely monitor the work of the PCFTT and called for transparency, ongoing engagement, and access to information for purposes of such engagement. We also raised several questions about the Just Energy Transition Partnership (“JETP”) while providing principled guidance and input on what should and should not be considered as part of any climate finance deal. It should be noted that we provided such input without having access to any additional information on the climate finance deal beyond the limited information which had been made available following the [COP26 announcement](#).
3. We note that only Dr Olver and Mr Mminele responded to our letter of February 2022. In this regard, LAC and FFSA were invited to a meeting with Mr Mminele’s team, which took place in July 2022. We appreciated the frank and open dialogue and commitment to ongoing engagement with civil society, while noting the need for a broader civil society consultation process. We acknowledge that this consultation has since commenced and that some members of civil society were invited to consultations which took place on 10 and 26 August 2022.
4. We also note the many developments related to the advancement of the broader Just Transition in South Africa. Notable among these include the publication of the Presidential Climate Change Commission’s (“PCC”) [Just Transition Framework](#); the [report of the PCC on Community and Stakeholder Engagement on a Just Transition in South Africa](#); the [Life after Coal Just Transition Open Agenda](#); and the [draft Just Energy Transition Discussion Document](#) released by the Department of Minerals and Energy. In relation to the JETP directly, we note the publication of the [six-month update on progress in advancing the JETP](#), as well as the consultation paper entitled, [“Making Climate Capital Work”](#), prepared by the Centre for Sustainability Transitions at Stellenbosch University and the Blended Finance Taskforce. We refer to these and other documents together with questions and recommendations under the following headings:
 - 4.1. Civil Society Engagement and Representation
 - 4.2. Scope of the JETP
 - 4.3. Key Recommendations
 - 4.3.1. Governance and Accountability Mechanisms
 - 4.3.2. Reforms to the enabling environment for a Just Transition
 - 4.3.3. Financing the “Justice Elements”
 - 4.3.4. Decarbonising the Electricity System

¹ Life After Coal is a joint campaign by organisations Earthlife Africa, groundWork, and the Centre for Environmental Rights, which aims to: discourage the development of new coal-fired power stations and mines; reduce emissions from existing coal infrastructure and encourage a coal phase-out; and enable a just transition to sustainable energy systems for the people. See <https://lifeaftercoal.org.za/>

² Fair Finance Southern Africa is a civil society coalition working towards ensuring Development Finance Institutions invest in a socially and environmentally responsible manner. The coalition focuses on issues of climate change and transparency. Fair Finance South Africa consists of 350Africa, the Centre for Environmental Rights (CER), the Centre for Applied Legal Studies (CALS), the African Climate Reality Project (ACRP), Oxfam South Africa, Earthlife Africa and Justice Ambient (JA!). See <https://www.fairfinancesouthernafrica.org/>

- 4.3.5. Mining Rehabilitation and Repurposing coal Mines
- 4.3.6. Green Hydrogen
- 4.3.7. Electric Vehicles
- 4.3.8. Examples of Community Centered Just Transition Projects

Civil Society Engagement and Representation

5. We refer to the six-month update on progress in advancing the JETP (“JETP Update”), as well as the recent civil society engagement by the PCFTT and the PCC, together with the presentation made at the engagement entitled, *“Just Energy Transition Partnership, Update and dialogue with the Presidential Climate Finance PCFTT.”* We request clarity on the following issues:
- 5.1. In relation to the ongoing engagement between the International Partners Group (“IPG”) and the PCFTT:
 - 5.1.1. Please indicate whether the PCFTT will make the outcomes of these engagements publicly available through regular updates on the progress of these negotiations.
 - 5.1.2. We understand that the PCFTT received financial offers from the IPG members. Please indicate whether these offers, or a summary of the offers will be made publicly available. We note your response at the recent civil society engagement which cited the sensitivity of these negotiations as being a reason for confidentiality of the offers. We wish to reiterate the need for utmost transparency related to any financial offers made, since civil society is not only able to provide enhanced oversight but is in a position to provide technical and other input as the negotiations progress;
 - 5.1.3. Therefore, please indicate whether the Presidency and the PCFTT commits to transparency in respect of the negotiation process, including transparency in relation to any obligations and conditions proposed for South Africa as between the IPG and any institutions (including Development Finance Institutions and Multilateral Development Banks) that will participate in the JETP deal or any other climate finance deals.
 - 5.2. In relation to the appointment of the JETP secretariat and the five working groups established under the secretariat:
 - 5.2.1. Please provide specific details on the members of each of the five working groups established under the JETP secretariat;
 - 5.2.2. We note that the JETP update stated that representatives from government, bilateral and multilateral institutions, and the private sector would be appointed to the working groups, with no mention of representation from civil society or academia. We confirm that, pursuant to the meeting between LAC, FFSA and the PCFTT in July 2022, we were requested to provide names of people from civil society and academia for appointment to the working groups. Having done so

in mid-July, and followed up with Ms Yawitch directly, we have to date, not received a response from the JETP secretariat;

- 5.2.3. We understand that the JETP secretariat has also developed Terms of Reference for each of the five working groups. We reiterate the lack of civil society consultation on the Terms of Reference and request that copies thereof be provided to us on an urgent basis;
 - 5.2.4. Further, in relation to the JETP Secretariat, we understand that the Climate Investment Funds (CIF) have allocated funding for the work of the JETP secretariat and that the secretariat reports to the PCFTT and the IPG. Please indicate how much funding has been allocated by CIF; whether all sources of funding for the work of JETP secretariat will be disclosed and whether regular progress updates and reports on the work of the secretariat will be made publicly available;
 - 5.2.5. We understand that the PCC has accepted responsibility for coordinating consultations between stakeholders and the PCFTT. We had previously understood that this task would form part of the work to be undertaken by the JETP Secretariat. Please explain the role of the JETP secretariat in relation to stakeholder consultations and please provide us with full details on the work plan and tasks of the JETP secretariat;
 - 5.2.6. Kindly note that, in relation to the JETP secretariat, LAC and FFSA are very concerned about the lack of civil society participation in the establishment of the working groups, the determination of their focus areas, as well as the lack of transparency in relation to who comprises the working groups. The lack of representation of civil society on the working groups prevents the mainstreaming of justiciable outcomes in respect of the research and decisions being taken by the working groups.
- 5.3. In relation to the JETP Investment Plan (JETP-IP) and the Draft Investment Guidelines, which have been drafted but not made publicly available:
- 5.3.1. We confirm that we have not been provided with either of these documents. In this regard, civil society attended the consultation held on 26 August 2022 without having been provided with these documents, preventing any meaningful consultation in this process;
 - 5.3.2. Civil society cannot be expected to attend stakeholder consultations without having access to any underlying documents, modeling, and/or reports that would enable meaningful participation in such consultations. **We confirm that we will not participate in the next stakeholder consultation should this information not be made available to us in advance of the meeting;**
 - 5.3.3. We also note the timeframes for the finalisation of the JETP-IP and the fact that the JETP-IP will be approved by Cabinet in October 2022, ahead of the COP27. While we appreciate that the mobilization of broader climate finance is an ongoing process, we are concerned about the short time periods available for civil society consultation in relation to the JETP-IP to be discussed at the COP27. Given that the draft JETP-IP has not yet been made available for public comment and

consultation, it may well be that any stakeholder consultation on the JETP-IP, particularly as it relates to civil society and community concerns, will not result in any meaningful participation.

- 5.4. As your work on climate finance has a direct impact on communities, including opportunities and risks to communities, we remind you of the findings from the [PCC's report on Community and Stakeholder Engagement on the Just Transition](#).³ In this regard, we request that you provide us with detailed information on your plans to ensure meaningful, consistent and timely consultation with community organisations on the JETP and broader climate finance plans.
- 5.5. It should be noted that a key concern raised by communities was that they would only be consulted once, and not updated or consulted in relation to further developments related to the Just Transition. This would include any climate finance related issues. Some of the findings which are relevant to the work of the PCFTT and the JETP Secretariat include the following:

“Communities are willing to engage in and support a just transition but only if they are integral to the decision-making process. Communities want a say in their future and an inclusive role in making that future happen. Many community members expressed the need to be empowered through a seat at the decision table and to have ownership of the process of the transition.”⁴

Communities are willing to support a just transition, but they want to see meaningful economic benefit arising from its implementation. Not all communities want handouts or social grants development. Members want relevant and meaningful skills, appropriate to alternative development pathways in the transition, as well as access to ways to produce goods or services as the transition is taking place.

Financial support for local actors. There are several local actors already working with communities on climate change and the just transition across the country. The question therefore becomes: “Is it possible to leverage financial support for these actors as partners in and champions of the just transition?”⁵

Communities are not necessarily anti-development, rather they are against development that does not address their needs; is inappropriate for the local context; and which does not deliver tangible benefits.”⁶

Scope of the JETP

6. According to the Just Transition Framework, South Africa will require at least 250 billion USD over the next three decades to transform the energy system, with at least 10 billion USD being allocated to “climate just outcomes”. We understand that PCFTT is only focused on the JETP financing subject to the COP26 Political Declaration, i.e.

³ Communities consulted by the PCC in relation to the Just Transition Framework included those living in Emalahleni (Mpumalanga); Lephalale (Limpopo); South Durban (Kwa-Zulu Natal); Xolobeni (Eastern Cape); Gqerberha (Eastern Cape); Hotazel (Northern Cape); Secunda (Mpumalanga).

⁴ See [PCC Report on Community and Stakeholder Engagement on a Just Transition in South Africa](#) at page 6.

⁵ Ibid at page 9.

⁶ Ibid at page 12.

the mobilization of the 8.5 billion USD for purposes of SA's Just Energy Transition, with a primary focus on decarbonisation of the electricity sector in accordance with Eskom's Just Energy Transaction ("JET"). In relation to the mobilization of the JETP financing of 8.5 billion USD (JETP), please provide clarity on the following:

- 6.1. What have donor countries in the IPG already committed to the 8.5 billion USD needed to conclude the JETP deal? We confirm that we would like to understand specific details on the financial commitments which have been confirmed by members of the IPG members.
 - 6.2. Please indicate the actual commitments made as opposed to subsidies for private IPP's or commitments made prior to the COP26 announcement. Please also indicate the percentage of the JETP deal which consists of new committed finance. We note our previous concerns around the JETP deal consisting of existing finance and commitments, being restructured as part of what has been termed a "new climate finance deal";
 - 6.3. We would like to understand what percentage of the JETP deal will be concessional, grant, sovereign loans and/or other forms of finance. Specifically, we would like to know whether the existing financial offers include grant or concessional finance, and if both, the percentages thereof. How much is actual money and how much are guarantees or export credits to the benefit of private investors, particularly from IPG member countries or some form of derivative linked to concessional finance?
 - 6.4. We submit that the initial commitment of 8.5 billion USD is an inadequate commitment by the donor countries and we support any engagements and negotiations by the PCFTT that will facilitate additional climate finance commitments as part of the JETP-IP;
 - 6.5. We also seek clarity on issues around carbon trading. Will the PCFTT entertain the inclusion of carbon trading as part of the climate finance deal?
 - 6.6. Does the PCFTT anticipate different types of obligations and reporting requirements for each of the IPG members in respect of their climate finance offers?
 - 6.7. Does the PCFTT assume that this kind of JETP partnership will become the model for future international climate finance?
 - 6.8. To what extent do the financing offers include conditions related to structural adjustments in our economic landscape, fiscal policy landscape, or reform in existing institutions?
 - 6.9. To what extent do the financial offers include conditions that lock in our renewable energy minerals to serve the needs of the Global North and not the people of South Africa?
 - 6.10. Please explain the extent to which the JETP deal will include financing for adaptation.
7. In relation to the mobilization of climate finance for the broader Just Transition, beyond the 2027 time frame anticipated for the JETP ("Just Transition Finance"), we understand that while this would need to be a "whole of government" approach, there would also need to be centralized coordination, planning and engagement with relevant stakeholders. In this regard, please provide clarity on the following:

- 7.1. Please explain what steps are being taken to ensure centralized coordination of the mobilization of broader climate finance for the Just Transition.
- 7.2. Will this be undertaken by the PCC, as part of its Just Transition Implementation Plan? What are the time frames for finalization of the Just Transition Implementation Plan?
- 7.3. Will there be particular institutional arrangements to oversee the implementation of the Just Transition Framework, and will this include accountability and independent grievance mechanisms?
- 7.4. Please indicate which institutions will be working on mobilizing capital over and above the 8.5 billion USD? Will steps to mobilise such capital for the Just Transition be held in abeyance pending the finalization of the JETP-IP?
- 7.5. It should be noted that to enable prioritisation of the financing of the justice elements and social outcomes which need to be realised as part of the Just Transition, and in line with Eskom's decommissioning dates, there should be no delay in mobilizing capital for the Just Transition. There should be parallel processes which aim to realise both JETP and Just Transition Financing. Please provide your views on this.

Key Recommendations

8. LAC and FFCSA submit the following as key recommendations related to the JETP-IP and/or the PCC Just Transition Implementation Plan, noting that neither of these documents have been made publicly available for comment but have been mentioned in the six-month update on the JETP and the PCC's Just Transition Framework, respectively.

Governance and Accountability Mechanisms

9. It is of utmost importance that proper governance and accountability mechanisms are formulated in consultation with all relevant stakeholders in order to ensure the highest standards of accountability and transparency related to climate finance flows. Whether in relation to finance that is mobilised through the JETP-IP or the mobilisation of Just Transition Finance, and irrespective of the institutional arrangements related to project finance and implementation, there would need to be:
 - 9.1. Close tracking and monitoring of all climate finance flows. This would include tracking of finance from donors and any applicable conditions, tracking and monitoring the allocation of such funds, including ongoing due diligence related to expenditure and the facilitation of regular progress reports on project implementation. There should be an accessible monitoring and reporting system that allows for transparent decision making and allocation. In the report, "[Making Climate Capital Work](#)," the authors note that an essential principle to ensure climate commitments are fit for purpose is to "embed transparency and accountability into climate pledges, specifying the source and type of funds and establishing disclosure and reporting requirements."

- 9.2. In relation to monitoring and evaluation, it would be important to also monitor impact as it relates to the realisation of social outcomes and progress against key projects and programmes established to advance the Just Transition.
- 9.3. We understand that the Climate Finance and Innovation Team, established by the PCC and led by Mr Patel, would be responsible for tracking, monitoring and evaluation. Please confirm that this is the case. Please also indicate what work has been done by the PCC to create mechanisms for the tracking, monitoring and evaluation of climate finance flows.
- 9.4. Related to the above, we would like to understand whether the PCC and/or the Presidency is considering what remedial powers would be available to the PCC in the event that relevant implementing agencies do not comply with any due diligence requirements of the PCC, as it relates to the tracking, monitoring and evaluation of climate finance flows.
- 9.5. Please also explain whether the PCFTT and PCC envisions an enhanced role for the Auditor General and the Department of Planning Monitoring and Evaluation in supporting mechanisms for tracking, monitoring and evaluating climate finance flows and project implementation.
- 9.6. We understand that the role of development finance institutions (DFIs) will be important, particularly in relation to financing mechanisms for the implementation of any climate finance deals. FFSA has had immense experience in engaging with DFIs and multilateral development banks (MDBs) and are concerned about a lack of transparency and accountability in relation to project pipelines, approvals and ongoing due diligence. We agree that local DFIs, in particular, should play an important role in any climate finance deals and if this is to be the case, we would demand enhanced due diligence processes and much higher standards of transparency and accountability. DFIs cannot adopt a 'business as usual' approach to their role in the climate finance deals. Moreover, the PCC or designated institution must have close oversight of DFIs and MDBs while ensuring regular reporting to the public on the utilization of funds and implementation of projects.
- 9.7. We refer to existing recommendations in the CER's Financing Fairly report which assessed finance and investment policies of DFIs for responsible and sustainable investments. This report concludes that the role of DFIs are critical in pursuing inclusive and sustainable development, and as public institutions, must maintain a publicly accountable mandate.
- 9.8. We are concerned that existing forums such as the DFI's CEO's Forum that have an executing role with regards to the just transition have not been publicly engaged upon, despite impacts of financing having wide socio-economic impacts.
- 9.9. We urge public DFIs, who tend to have more rigorous benchmarks for social and environmental impact assessment than corporate finance institutions, to play a transparent and accountable role in the Just Transition, and report regularly to the PCC as a suggested oversight body who additionally have a mandate for public engagement. The institutions must also be held accountable to principles of procedural justice.

9.10. In respect of the existing mechanisms for ensuring project finance and implementation and with reference to the “whole of government” approach which will be required in order to achieve real and scalable change while addressing the breakdown in existing infrastructure which is essential for climate resilient communities, we refer to the findings of the Just Transition Framework, which deal with “Finance for Just Transition.” One of the many important findings included the following:

*“Integrating the just transition framework into the national budget and reorienting state spending in support of a just equitable transition and;
Integrating climate-related risks and the just transition imperative into all investment decisions.”*

9.11. We submit that the integration of climate finance for the Just Transition into the national budget and all investment decisions, is one of the most important findings of the Just Transition Framework, as related to finance for the Just Transition. This approach must however be coupled with the tracking, monitoring and oversight mechanisms mentioned above. Once again, if current governmental processes have failed to produce justiciable outcomes for communities in respect of service and infrastructure delivery, we cannot expect a ‘business as usual’ approach to realise our Just Transition outcomes. With government departments, DFIs, municipalities, and state owned enterprises all having to hold responsibility for realising the Just Transition and utilize climate financing, there must be levels of accountability and open democracy that go beyond our current approach. These issues must be addressed in consultation with civil society as we build a new ways of working and oversight within existing governmental process and administration.

9.12. For example, if we consider climate finance that is to be utilized by municipalities for infrastructure development, there must be, embedded into processes of monitoring and oversight, a role for community led governance and oversight in respect of climate finance budget line(s). This would mean that additional oversight takes place at a local as well as at a national level with regard to reporting and oversight to the PCC. It should be noted that our insistence on close and regular consultation with communities is because we are firmly of the view that if climate finance is to be utilized in the manner for which it is intended, communities must be integrated into planning for and participating in enhanced monitoring and oversight mechanisms. This would include the provision of resources which would enable effective participation. The following findings from the PCC’s Community and Stakeholder Consultation Report should be noted:

“Distrust in government is largely a result of corruption and poor governance. Communities are questioning how a just transition can be effectively implemented by a government that concomitantly does not seem to care nor effectively regulate itself.”⁷

“There is a lack of clarity as to the positioning of the just transition process within the provincial and district structures of South Africa. The mainstreaming of the just transition process within existing provincial, district and local governance frameworks needs to be urgently addressed to ensure coherent communication and action.”⁸

⁷ See fn 4 at page 7.

⁸ See fn 4 at Page 9.

9.13. It is clear that the ability of the PCC and the PCFTT to address distrust between communities and government is going to be key to the success of the Just Transition and the effective and efficient utilization of climate finance in a manner which is justiciable.

9.14. We refer further in this regard to the LAC Open Agenda which states that:

“Local governments should work with people and not take decisions behind closed doors but communicate with community members;

There should be functional accountability mechanisms through which communities can hold municipalities accountable, including for financial mismanagement at local level;

Local government should be transparent. The Integrated Development Plan process should be transparent, and citizens should be able to access or attend council meetings. There should be adherence to the basic principles of democracy, where decisions are made in terms of bottom-up approach and a Just Transition can be realised;

All planning processes, including land use planning and infrastructure, and service delivery planning, must account and prepare for the impacts of climate change;

Municipalities and provinces must be properly resourced for climate adaptation. They should come up with plans and strategies to address climate disasters. National government should unlock funds and other resources for these purposes.”

Reforms to the Enabling Environment for a Just Transition

10. We note the following from the PCC’s Just Transition Framework:

“While there are clear areas of consensus on the just transition in South Africa, there has not yet been a single policy frame that sets out the vision, principles, and interventions that will give effect to this transition, as agreed to by all social partners. As a result, the multiple efforts by social partners to respond to the transition are uneven and uncoordinated. The work done to prepare this just transition framework—and indeed the framework itself—fills this gap. This framework provides a foundation for the government to adopt a unifying national policy statement to guide work on the just transition.”⁹

11. While recognizing that the Just Transition Framework purports to be a “unifying national policy statement to guide work on the Just Transition,” we are very skeptical about whether it does so in practice. We have noted several national policies and decisions which do not align with the Just Transition Framework. Examples include, among others, the National Infrastructure Plan, 2050 which makes provision for new gas and new nuclear at a time at which it is now well-recognized that renewable energy is the cheapest, most timely, and cleanest option

⁹ See the [PCC Just Transition Framework](#) at page 5.

available to us. Moreover, there are still plans afoot to obtain “emergency” power through the procurement of energy from Karpowership SA, in the form of polluting and expensive gas reliant powerships.

12. Alarmingly, Minister Mantashe recently announced plans to convert three of Eskom’s coal fired power plants to gas power stations, as well as to build new modular nuclear plants. Such decisions and announcements run contrary to the ambitions of the Just Transition Framework and will undermine the PCFTT’s ability to negotiate an attractive climate finance deal with the IPG. **We would like you to confirm that any climate finance which would have been intended for repurposing Eskom’s coal fired power stations to rely on renewable energy, will not be re-directed to the Department of Mineral Resources and Energy (DMRE) for purposes of building new gas and nuclear plants.**
13. We submit that real policy alignment will require all relevant actors to abandon any energy solutions which do not serve the Just Transition. Coal, gas and nuclear are all polluting and expensive solutions that will take such a long time to build that it would undermine any efforts to achieving energy security for South Africa in the short to medium term.

Financing the Justice Elements

14. We note that the PCFTT has chosen three priority areas, which include the decarbonisation of the electricity system, electric vehicles and green hydrogen. We would like you to clarify what the PCFTT is doing to ensure that the justice elements of the Just Transition Framework are incorporated in the JETP-IP and broader financing and implementation of financing for the Just Transition.
15. In this regard, we highlight that there is a need to not only ensure the protection of workers who will be directly affected by the closure of coal-fired power plants and coal mines, but all those who rely on the coal economy, both directly and indirectly, with a focus on those who are least protected in society.
16. **Therefore, please confirm how and to what extent the PCFTT will ensure that women, youth, those in the informal economy and those who continue to bear the physical and financial costs of air pollution, will be protected through the mobilization of climate finance, both in the near and longer term.**
17. We refer in this regard to the PCC’s Consultation and Stakeholder report which finds that we need gender responsive interventions and that:

Women are often at the forefront of adapting to climate change and economic shifts. The just transition needs to have gender-focused interventions and a clear understanding of the gender issues on the ground in these communities. With this, women need to be equally empowered as men for jobs and pay in the just transition, this is seen as a critical means of combatting gender-based violence.¹⁰

18. We also refer to the LAC Open Agenda which states that:

¹⁰ See fn 4 at page 10.

*“Climate change impacts will increase the need and urgency for universal grants to support people in communities to start their own initiatives and to have the resources to respond and adapt to climate emergencies like droughts and other extreme weather events. Addressing climate injustice requires addressing SA’s deeply entrenched inequalities;
Access to land and land reform to benefit in the first instance mining affected communities, particularly the dispossessed, as coal mines approach closure;
All decisions should be made from a perspective of intergenerational justice. The interests of those still to be born should be taken into account.”*

Decarbonising the Energy System

19. We note that the Political Declaration refers only to, *“The accelerated decarbonisation of South Africa’s electricity system to achieve the most ambitious target possible within South Africa’s Nationally Determined Contribution range to the extent of available resources,”* but makes no commitment to pace nor specific interim targets. We further note that the Declaration commits to supporting *“South Africa’s nationally determined efforts to successfully and sustainably manage Eskom’s debt”* and to *“improve Eskom’s long term financial stability.”*
20. Please explain the extent to which the PCFTT is overseeing financial criteria around the structural reform of Eskom as a public utility?
21. Finance should be conditional upon the retirement and reduced utilisation of Eskom’s coal power stations at a pace and scope that allows South Africa to meet and go beyond the lower bound of its NDC, i.e. 350 Mt CO₂e.
22. Any finance should address the issue of Eskom’s debt. Without addressing the paralysis caused by Eskom’s debt burden, beyond Eskom’s debt management strategy, no progress can be made towards economic and social justice, which are essential elements of a Just Transition.
23. Finance should include the repurposing of Eskom coal power stations and coal related infrastructure for example, through renewable energy on the sites of the coal power stations.

Mining Rehabilitation and Repurposing Mines

24. The rehabilitation and proper closure of coal mining areas and coal power station infrastructure is essential and must be supported by proper financing. Without rehabilitation, coal mining areas are effectively sterilised for other local development, and are massively detrimental, on an ongoing and intensifying basis, for South Africa’s climate resilience, water and food security. Coal power station infrastructure, such as ash dumps, contain toxic contaminants which continue entering the surrounding environment long after the plant has ceased operations. It should be noted that mine closure and rehabilitation has to date been grossly insufficient and underfunded, leaving communities exposed to toxic and unhealthy environments. Any redress as part of the JETP-IP and Just Transition Finance must take this into account in ensuring that restorative justice is actually realised.

25. We refer in this regard to the [DMRE's Draft Just Energy Transition Framework in the Minerals and Energy Sectors](#). In the framework, the *"DMRE recognises the impacts that climate change is likely to impose on the economy and society, and supports the global energy transition, in line with the country's targets as expressed under the United Nations Framework Convention on Climate Change (UNFCCC) and its Paris Agreement (PA)."*
26. Furthermore, the DMRE commits to leading the Just Energy Transition effort, *"to monitor and evaluate the socio-economic impacts of the decommissioning of aging and retiring coal generation plants and related infrastructure, as detailed in the integrated Energy Plan (IEP) and Integrated Resource Plan (IRP), while also being cognisant of broader transition effects across other fossil fuel and mineral value chains. This includes ensuring that the environmental rehabilitation and best practice social closure processes for energy and mineral infrastructure is carried out."*
27. Please explain the extent to which the PCFTT is engaging with the DMRE in relation to mine closure and rehabilitation and whether climate finance is being mobilized by the PCFTT in order to support the DMRE's Just Energy Transition Framework. Has the DMRE reported to the PCFTT in respect of progress against its five year commitment and strategy as per the framework and indicated the support it would require in order to realise the objectives of the framework?
28. We also submit that the work outlined in the DMRE's Just Energy Transition Framework should be carried out as a matter of urgency and that DMRE should be focusing on finalizing the framework in consultation with all relevant stakeholders instead of creating a new power generation entity within the DMRE for purposes of building new gas and nuclear.

Green Hydrogen

29. We are concerned about the lack of granular and specific detail on what the PCFTT has identified as a key area of priority. In particular, we note from Mr Mminele's written presentation dated 26 August 2022, that in some instances there is reference to 'hydrogen' and in others 'green hydrogen'. Hydrogen can be produced using hydrocarbons and can therefore be made using gas, coal or a combination of fossil fuel based processes while green hydrogen would be made using renewable energy sources. Therefore, please confirm that the PCFTT has prioritized green hydrogen as opposed to hydrocarbon-based hydrogen?
30. Please also provide us with any studies, models or other information which is informing the work of the PCFTT in relation to the prioritization of green hydrogen solutions in the mobilization of climate finance. In this regard, we have noted that Minister Patel has commissioned a 'Green Hydrogen Panel,' which is seized with drafting a Green Hydrogen Commercialisation Plan. We have written to Minister Patel to enquire about the work of the panel and lack of civil society representation on the panel. We have not received a response and have recently included the PCFTT and the PCC in our further correspondence. We urge you to engage with Minister Patel over the issues raised in our letter and provide us with a response as to whether and how you are engaging with the work of the Green Hydrogen Panel.

31. Please also indicate whether the development of a green hydrogen economy is to facilitate the export of green hydrogen to Europe? We would like to understand whether the development of the green hydrogen economy is essential to South Africa's broader decarbonisation objectives.

Examples of Community Centered Just Transition Projects

32. We note that Eskom has identified a "pipeline of 'Just Energy Transition' projects, and intends to secure financing with the R131 billion concessional funding raised from the international financiers who have committed to supporting the decarbonisation initiatives in developing countries, including South Africa." This information appears from a [Fact Sheet prepared by Eskom's Just Energy Transition office](#).
33. Please indicate whether all Just Energy Transition Projects are anticipated to be implemented by Eskom or in accordance with Eskom's pipeline of Just Energy Transition projects.
34. We would like to highlight the scope for community led projects to be financed and therefore scaled up considerably, resulting in community owned projects which are outside of Eskom's pipeline of projects or other projects led by public-private partnerships. An example of such a project is the [Urban Movement Incubator Energy Democracy project](#), which is a partnership between three community based organisations, [Vukani Environmental Movement \(VEM\)](#), [Abahlali Base Mjondolo \(ABM\)](#) and [South Durban Community Environmental Alliance \(SDCEA\)](#), supported by two service organisations, [groundWork](#), and [Sustainable Energy Africa \(SEA\)](#), each with more than 20-years' experience in campaign and technical support to communities. The aim of the project is to construct and implement a campaign that realises widespread installation and operation of community-led socially owned renewable energy solutions. We urge you to seriously consider this project as an example of a project which could be scaled up through climate finance solutions.
35. We confirm our previous statements around community-owned energy projects in which we had stated that any climate finance deals should also fund:
- 35.1. The development of publicly-owned and community-owned renewable energy, including at a municipal level. Renewable energy must be prioritized and rapidly scaled-up in order for SA to meet decarbonisation requirements; and
- 35.2. Energy efficiency policies and measures must be developed and promoted to assist and support users to utilise electricity more efficiently without reducing economic activity or outputs.

Conclusion

36. We reiterate our previous statements on what should not be financed through any climate finance deals(s). We submit that there should be no financing of any new fossil fuels, including:
- 36.1. Coal: A condition of this finance must be that the South African government abandons plans to develop any new coal power and accelerates the decommissioning of existing coal power;

- 36.2. Gas: this includes Eskom’s proposed R85 billion 3000MW gas plant and any repurposing of coal plants to gas power;
 - 36.3. Nuclear: which has been promoted as carbon-free and ‘green’ but is neither green nor affordable;
 - 36.4. The implementation of emissions reduction plans by South Africa’s big corporate greenhouse gas emitters, including in particular Sasol and ArcelorMittal South Africa;
 - 36.5. Privately-owned renewable energy. We submit that there is adequate private funding for privately-owned renewable energy; and
 - 36.6. Finally, the deal should not be conditional on cost-reflective tariffs or other measures that impose increased economic hardship or austerity on low-income electricity users.
37. There is great public interest in the climate finance deal and the impact it will have on all South Africans, and we therefore trust that you will provide us with a detailed and considered response **within 20 days** of receipt of this letter.

Yours faithfully,

Leanne Govindsamy
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Centre for Environmental Rights
On behalf of the Life After Coal Campaign

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