

South Africa's COP26 deal

Explaining what \$8.5 billion means for a 'just transition'

By Roland Ngam

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ROLAND NGAM reminds us that much of the much-vaunted Just Energy Transition Partnership is in the form of loans and decries the way that rich countries – which have caused all the climate change problems – offer loans rather than direct financial grants to poor countries to finance the just transition away from fossil fuels.

THE DEAL

Ahead of the the 26th United Nations climate change conference known as COP26, held in Glasgow, Scotland, in November 2021, the governments of South Africa, France, Germany, the United Kingdom and the United States of America, along with the European Union, announced a long-term Just Energy Transition Partnership (JETP) to support South Africa's decarbonisation efforts.

The [deal](#) was designed to help “prevent up to 1-1.5 gigatonnes of [carbon dioxide-equivalent] emissions over the next 20 years, support South Africa to move away from coal and accelerate its transition to a low emission,

climate resilient economy” (European Community, 2021). South Africa went into this deal as a willing partner.

The deal will “mobilise” an initial amount of approximately \$8.5 billion (currently R140 billion) over the next three to five years.

Since coming to power in 1994, the ruling ANC has connected at least 8.5 million households to the grid with a further [3.5 million](#) still to be connected (Nkwinti, 2015). This is something to be celebrated, given that such rapid connection has probably never been achieved before on the African continent. However, the development of the country's power fleet has not kept pace with either demographic growth or the needs of its vast manufacturing base. Most of the national power utility Eskom's coal generation capacity is old and inefficient and can no longer be relied upon to supply the country with steady power. By mid-September 2022, South Africa had experienced power cuts on [100 separate days](#) (Vollgraaff, 2022).

To continue fulfilling its developmental mandate, and to offer cheap, reliable electricity to homes and industries, Eskom has to develop new generation capacity. South Africa's Integrated Resource Plan (IRP) aims to install at least 40,000 MW of generation capacity over the next couple of decades (of which at least 17,800MW will be renewables).

Following the COP26 deal, the South African government intends to do three key things.

Firstly, it intends to install some renewable capacity. The old Komati Power Station's coal generation units will be mothballed and replaced with renewables. Komati, which has nine generation units with total generation capacity of 1000MW, was commissioned in 1957 and started generating electricity in 1961. Today, the 61-year old plant, that employs over 600 permanent workers, is not as efficient as it used to be and the feeling is that it should be replaced with more efficient energy sources, i.e. 150MW of solar, 70MW of wind and 150MW of batteries. (The government further plans to decommission at least 10,500MW of coal generation capacity by 2030, something that will be difficult to achieve given that Eskom owes about R400 billion and the fiscus is severely constrained in the post-Covid context with faltering growth, load shedding, rising unemployment and global warming).

Secondly, South Africa will use the COP26 money for education purposes. In this regard, Eskom's [Komati Training Facility](#) is going to skill, reskill and upskill the Komati Power Station's workers, its suppliers and people in the local community who would have been part of the plant's ecosystem and ➤

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who are willing and able to work in the renewables space (Smith, 2022). The training facility will be equipped with a containerised micro-grid assembly factory to supply renewable energy units for use elsewhere.

Thirdly, the deal also intends to create a new economy within the Komatipoort area to make it less reliant on coal and related activities. In other words, it will do what it can to avoid the area becoming a ghost town, as sometimes occurs in areas that lose a mine or a major project.

These countries are helping South Africa because, firstly, Eskom is the **biggest emitter** of sulphur dioxide per capita in the world (Bloomberg, 2021). Secondly, it is also one of the biggest emitters of methane gas and carbon dioxide per capita in the world. COP26 recognised that limiting global warming below 1.5 degrees requires a common but differentiated effort from all parties. Within this dynamic, there must be large transfers of money from highly industrialised countries to developing nations for adaptation and mitigation purposes. This is only fair because the rich countries are responsible for the biggest share of the anthropogenic warming that has intensified since the beginning of the industrial revolution. Developing countries require at least **US\$3.5 trillion** for adaptation and mitigation by 2030 (Carbon Brief, 2015)



and South Africa’s COP26 deal is part of this effort.

Unfortunately, a lot of the promised \$8.5 billion will be in the form of loans to South Africa, which will have to be repaid. This should not be the case (Ngam, forthcoming. “The case for climate reparations”).

A FACTORY OF CONSPIRACY THEORIES

A stubborn ecosystem of disinformation and conspiracy theories have emerged on social media (YouTube, TikTok, Instagram) and elsewhere, spreading rumours that Eskom is being sabotaged in order to award lucrative 20-year Independent Power Producer (IPP) purchase agreements to ANC and “white – and black – monopoly capital” cronies, with some even alleging that the IPP programme “is designed to corrode Eskom from providing its core mandate”.

So, where are these rumours coming from? The \$8.5 billion offered by these countries to help South Africa retire Komati? Seriously? People are screaming that South Africa’s baseload is under attack because a coalition of countries offered to help South Africa retire 1000MW of coal capacity? Remember that Komati, which is more than 60 years old, was abandoned, resurrected and retired

again before the COP26 deal came along.

Here is what South Africa’s energy minister “**Gwede Mantashe**” said recently about new generation capacity at Eskom: “Guided by the Integrated Resource Plan, government is engaged in the procurement of additional energy from a mix of energy sources such as available gas, hydropower, nuclear, coal and battery storage” (Molefe, 2022).

In other words, green projects are still going to be largely located within IPPs. Therefore, nobody has threatened to tear down South Africa’s baseload capacity, least of all US President Joe Biden, which was insinuated by the head of the Association of Mineworkers and Construction Union (Amcu), Joseph Mathunjwa. Interviewed on ENCA’s “**We the Nation**” recently, Mathunjwa added that President Cyril Ramaphosa should be more like former US president Donald Trump and tell the world to let South Africa burn its coal in peace.

That trade unions like Amcu and the National Union of Metalworkers of South Africa (Numsa) resort to attacking Biden and prominent businessman Patrice Motsepe for helping to kill Eskom’s baseload capacity is really disappointing. Do people think that President Ramaphosa is champing at the bit to plunge the South African

economy into chaos and force hundreds of thousands of people out of work? Nobody wants workers to lose their jobs. The term “just transition” was adopted in the international narrative about climate change to make it clear that transitioning to low carbon energy sources should not destroy livelihoods and communities. If we combine all the renewable projects in the IRP, renewables would still only make up 25% of total generation capacity in the country.

MAKING OUR VOICES HEARD AT COP27

COP27 took place in the Red Sea resort city of Sharm El-Sheikh, Egypt in November 2022. The scenery is breath-taking: pristine waters, palm tree-lined streets and beautiful resorts. However, Sharm-El Shaik does not really offer opportunities for the kind of mass mobilisations that can grab the attention of global leaders on the scope and scale that we saw in Glasgow.

Another development threatened to derail this gathering. Following the Russian invasion of Ukraine, the over 155 billion cubic metres of gas that Russia sends to the EU has dried up, which has scrambled the EU’s energy plans and sent its members looking for alternative sources of power around the world. EU members intend to replace Russian gas with a mix of renewables and nuclear, coal and gas. In Africa, this has resulted in countries that have proven reserves of gas (Senegal, South Africa, Mozambique, Nigeria, Cameroon, etc.) seeking investments for either pipelines or shipping liquefied natural gas (LNG) to Europe. There is grumbling in some African countries about the Global North’s hypocrisy after the EU elected to label gas as a green source of energy despite pressuring countries like South Africa and Nigeria to divest from it. South Africa’s energy minister has gone as far as to call the West’s pressure campaign “colonialism and apartheid of a special type”.

If Africa, which contributes very little to the problem, is made to shoulder the biggest burden of the just transition, such complaints are only going to grow. More dangerously, this could lead to many African countries jumping on the “pollute now, clean up later” bandwagon that we see in many Asian countries. The nations that bear the most historical responsibility for climate change have a duty to help Africa transition to just, fair, low-carbon economies. Paying for loss and damage in Africa does not necessarily mean transferring cash to the continent. The Global North’s just transition commitments to the Global South can be translated into Green New Deal projects that surgically target the following in the various regional economic communities:

- Significant expansion of the continent’s road and railway systems;
- Development of renewable energy infrastructure and expansion of the electricity grid to provide electricity to the more than 700 million Africans who have never had it;
- Rehabilitation of coastal areas and mangroves;
- Ending deforestation, development of urban forests and expansion of the Great Green Wall;
- Large-scale installation of microgrids as well as farm mechanisation and local/regional markets;
- Expansion of universal basic infrastructure for healthcare, education, mobility and social life.

CONCLUSION

The minerals-energy complex is conducting a doom-and-gloom campaign that predicts imminent catastrophe if steps are not taken to begin the just transition anytime soon. But calling for climate justice in

Africa means giving the most impacted communities a voice in seeking real solutions to defend their lands and bodies of water from polluting mining companies. It means promoting transformative economies through agroecology, energy democracies, food sovereignty and just transitions.

The Stone Age did not end because the world ran out of stones. The Coal Age should not persist simply because we still have a lot of coal. Our development trajectory must be based on what is good for the planet and the future of our children and our children’s children. These truths should have come out loudly and clearly at COP27. However, any transition that is developed must be just, fair and done on South Africa’s terms.

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