



## France, Germany, UK, US and EU launch ground-breaking International Just Energy Transition Partnership with South Africa

Brussels, 2 November 2021

The governments of South Africa, France, Germany, the United Kingdom and the United States of America, along with the European Union, have today announced a new ambitious, long-term Just Energy Transition Partnership to support South Africa's decarbonisation efforts.

The Partnership aims to accelerate the decarbonisation of South Africa's economy, with a focus on the electricity system, to help it achieve the ambitious goals set out in its updated Nationally Determined Contribution emissions goals.

It will mobilise an initial commitment of \$8.5 billion for the first phase of financing, through various mechanisms including grants, concessional loans and investments and risk sharing instruments, including to mobilise the private sector.

The Partnership is expected to prevent up to 1-1.5 gigatonnes of emissions over the next 20 years and support South Africa to move away from coal and to accelerate its transition to a low emission, climate resilient economy.

**The Republic of South Africa's Head of State, President Cyril Ramaphosa**, expressed his support for the declaration:

*"South Africa welcomes the commitment made in the Political Declaration to supporting the implementation of our revised Nationally Determined Contribution, which represents our country's ambitious effort to support the global battle against climate change.*

*"We look forward to a long term partnership that can serve as an appropriate model of support for climate action from developed to developing countries, recognising the importance of a just transition to a low carbon, climate resilient society that promotes employment and livelihoods."*

**The United Kingdom's Prime Minister, Boris Johnson**, welcomed the announcement:

*"This game-changing partnership will set a precedent for how countries can work together to accelerate the transition to clean, green energy and technology.*

*"Moving away from coal is essential if we are to meet our target of limiting global warming to 1.5 degrees. President Ramaphosa has shown real leadership on this issue, and the United Kingdom is committed to working with South Africa and our partners to support a just and fair transition to renewable energy."*

**The President of the United States of America, Joseph R. Biden added:**

*"The United States, together with the UK, France, Germany and the EU is announcing a new*

*partnership with South Africa to help transform their economy to a clean energy economy more quickly. Right now South Africa is the largest emitter in Africa due in large part to the heavy reliance on coal for power.*

*"By closing South African coal plants ahead of schedule and investing in clean power alternatives for the people of South Africa and supporting an equitable and inclusive transition in South Africa's coal sector, we are following through on the pledge the G7 partners made in Cornwall to accelerate the transition away from coal in developing countries."*

**The President of the Republic of France, Emmanuel Macron said:**

*"This new partnership mobilises very significant support for South Africa's ambitious decarbonisation project for a just energy transition.*

*It will benefit from the long-standing cooperation between France and South Africa through the work of the Agence française de développement. And we hope it will set the standard for other such partnerships in the future. France stands ready.*

**The Chancellor of the Federal Republic of Germany, Angela Merkel, said :**

*"I am very pleased that Germany is part of this important partnership with South Africa and we can share our experience with a just transition. We are committed to supporting both the decarbonisation of South Africa's electricity production and the development of new economic opportunities for affected communities."*

**European Commission President Ursula von der Leyen noted:**

*"This partnership is a global first and could become a template on how to support just transition around the world. By joining forces, we can speed up the phasing out of coal in partner countries, while supporting vulnerable communities that depend on it. Ensuring a just transition is a priority for the EU, both at home and abroad."*

Delivering on this ambition will affect mining communities and workers. The Partnership recognises the importance of supporting South Africa's efforts to lead a 'Just Transition' that supports affected workers and vulnerable communities, especially coal miners, women and youth, as the South African economy changes.

It will work to identify financing options for innovative technical developments and investments, including electric vehicles and green hydrogen, to help the creation of quality, green jobs.

Today's announcement represents a powerful example of action through a global collaboration between an emerging economy and international partners to limit global warming to 1.5 degrees. It is open to other countries wishing to contribute financial capacity, thereby exerting a further boost to South Africa's clean energy transition.

The Political Declaration issued today marks the beginning of a process. The Partnership's operational arrangements will be elaborated in detail over the coming months.

**ENDS**

## Political Declaration on the Just Energy Transition in South Africa

Declaration from the Governments of the Republic of South Africa, the United Kingdom of Great Britain and Northern Ireland, the United States of America, the Republic of France and the Federal Republic of Germany, and the European Union.

1. *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;
2. *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 CO<sub>2</sub> emissions by 2050, while strongly reducing other greenhouse gas emissions;
3. *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;
4. Acknowledging that sustainable financing from developed countries, multilateral institutions and investors is required to enhance support for South Africa's transition;
5. *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;
6. *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;
7. *Acknowledging* that South Africa faces significant development challenges, including poverty, inequality and unemployment, which have been exacerbated by the impacts of the COVID-19 pandemic;
8. *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, manufacturing and transport;
9. *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;
10. *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;
11. *Noting* South Africa's intention to decommission and repurpose or repower coal-fired power stations, invest in new low-emission 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;
12. *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;
13. *Recognising* the unprecedented opportunity for South Africa to become a leader in the just energy transition, and the importance of global collaboration;
14. *Recognising* also the need for long term cooperation, commensurate with the timeline for South Africa's just energy transition; and
15. *Acknowledging* the commitments of developed countries to provide support, including finance, to developing countries' mitigation and adaptation efforts;

### *Resolve to*

16. 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.

17. Establish an inclusive task force comprised of South Africa and international partners, to enable:
  1. 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;
  2. 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;
  3. 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;
  4. Local value chains (including Micro, Small and Medium Enterprises) to benefit from new areas of economic opportunity; and
  5. Opportunities for technological innovation and private investment to drive the creation of green and quality jobs as part of a prosperous low emission economy.
18. 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 \$8.5 billion 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 loans, guarantees and private investments, and technical support to enable the just transition, with a view to longer term engagement.
19. Explore additional sources of financing and mobilise or include additional international partners, to further support South Africa's ambition.
20. This partnership is a demonstration of the willingness of both developed and developing countries to cooperate on a vital challenge facing humanity.

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