

Why international organisations hold the key to an accelerated just energy transition

By <u>Alana Kruger</u> 19 Jan 2023

According to leading lifestyle magazines and spiritual gurus, 2023 is a year for self-reflection, intuition and analytical enlightenment. It also marks 16 years since South Africans first experienced load shedding - an unwelcome and common occurrence that continues to this day. Over the next 15 years, South Africa will need to install at least 50GW of generation capacity to achieve energy security. According to calculations by industry analysts, this will require an estimated R1.2tn in investment before 2035 to mitigate the energy crisis.



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Considering the urgency of this issue and its impact on the wellbeing of both consumers and the economy at large, it might be time for South Africans to take 2023's symbolism to heart. Now, more than ever, it is time for energy stakeholders to review the merits of the country's past capital-raising efforts and explore new approaches towards achieving this 15-year investment goal.

This need for reflection comes as the recent escalation in rolling blackouts adds immeasurable pressure on economic development, creating a domino effect on employment, poverty, and climate change. According to energy experts, the recent prolonging of Stage 6 load shedding has already caused significant damage to the country's economy, with over R4bn wiped from the national coffers for each day it continues.

In an attempt to mitigate this impact, South African officials have investigated the potential of expanding the country's fleet of coal power stations. Yet, with South Africa ranking among the top 20 highest emitters of greenhouse gases and nearly a third of all of Africa's emissions - and amid the global shift to clean, green and renewable energy - a new path has been forged: that of a just energy transition (JET).

Achieving JET

In colloquial terms, JET seeks to introduce modern and efficient energy-generation capabilities to the national grid, while simultaneously minimising the social and environmental impact that power production can have on the health and livelihoods of both communities and wildlife. Or as President Cyril Ramaphosa put it: "It is about addressing the global risks of climate change while creating jobs and driving more rapid and inclusive economic growth."

To date, South Africa has received widespread praise for its plans to achieve JET, with global commentators applauding the president's framework which outlines the various principles to guide the transition, and policies and governance arrangements to give effect to the transition from an economy that is predominantly reliant on fossil fuel-based energy, towards a low-emissions and climate-resilient economy. However, this does not mean that the road towards sustainable and inclusive carbon neutrality will be an easy one.

Among the most obvious challenges are the expenses associated with renewable energy, however, equally as important are issues around trust, which must be developed between public and private actors; the need for the redress of policy obstacles that slow the pace of clean energy production; and most importantly, how the process can account for South Africa's 'coal communities' who depend on the energy resources for income amid high levels of unemployment and poverty.



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Opportunity for collaboration

Exacerbated by the ongoing energy crisis, South Africa's goal of achieving JET is, then, a complex endeavour - but one that offers a great opportunity for collaboration. And it is in this vein that local stakeholders should recognise the significant role that international organisations can play towards providing a gateway to global knowledge, resources, networks and innovations - vital resources on the journey towards sustainability in the energy sector.

By their very nature, international organisations represent a distinct break from the national norm and unlock a unique set of opportunities to help address many challenges facing JET. For example, to help stakeholders access global knowledge best practices, organisations such as Innovate UK KTN, which is currently delivering the Global Alliance Africa (GAA) - a six-year project funded by UK Aid - has curated a Global Innovation Network; a UK-African community where researchers, funders and innovators in the energy space can come together to explore solutions that seek to solve critical energy shortages using technology and innovation.

Through regular engagements, this network of energy specialists and industry stakeholders provides insight into the current climate; gives advice on how to overcome obstacles impeding implementation; and works to identify 'needle-moving' projects with the potential to drive change within the industry.

To date, these engagements have already identified key focus points for programme exploration, including green fuels and their applications, as well as an exploration into transition metals, export versus local usage of energy, and enterprise development.



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Exploring different pathways to JET

What's more, global networks are an important resource for national firms which are often only exposed to local problems, opportunities, and partners. By assisting local actors to access new knowledge, technologies and mindsets, they support efforts aimed at exploring different pathways to JET, as well as different ways of thinking about the industry more generally. This is further supported by access to new funding opportunities, which are key considering the high costs associated with renewable energy generation.

At the end of the day, international organisations facilitate a level of resource mobilisation that national actors cannot achieve on their own, making them a key component to support the planning, implementation, and monitoring of just and inclusive energy transitions. And with no immediate solutions to South Africa's energy crisis, the sooner these global actors are involved in the process, the better.

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