

Five questions that South
Africa's just transition efforts
must answer to qualify as
“pathbreaking”

#thoughts #climatefinance #justtransitions

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Chantal Naidoo

Characteristics of energy transitions

Shifts in energy systems are critical for reducing harmful greenhouse gas emissions and creating sustainable energy system (IPCC, 2018)

Energy transitions refers to the process of making such shifts (Leach, 1992, Sokona et al., 2012)

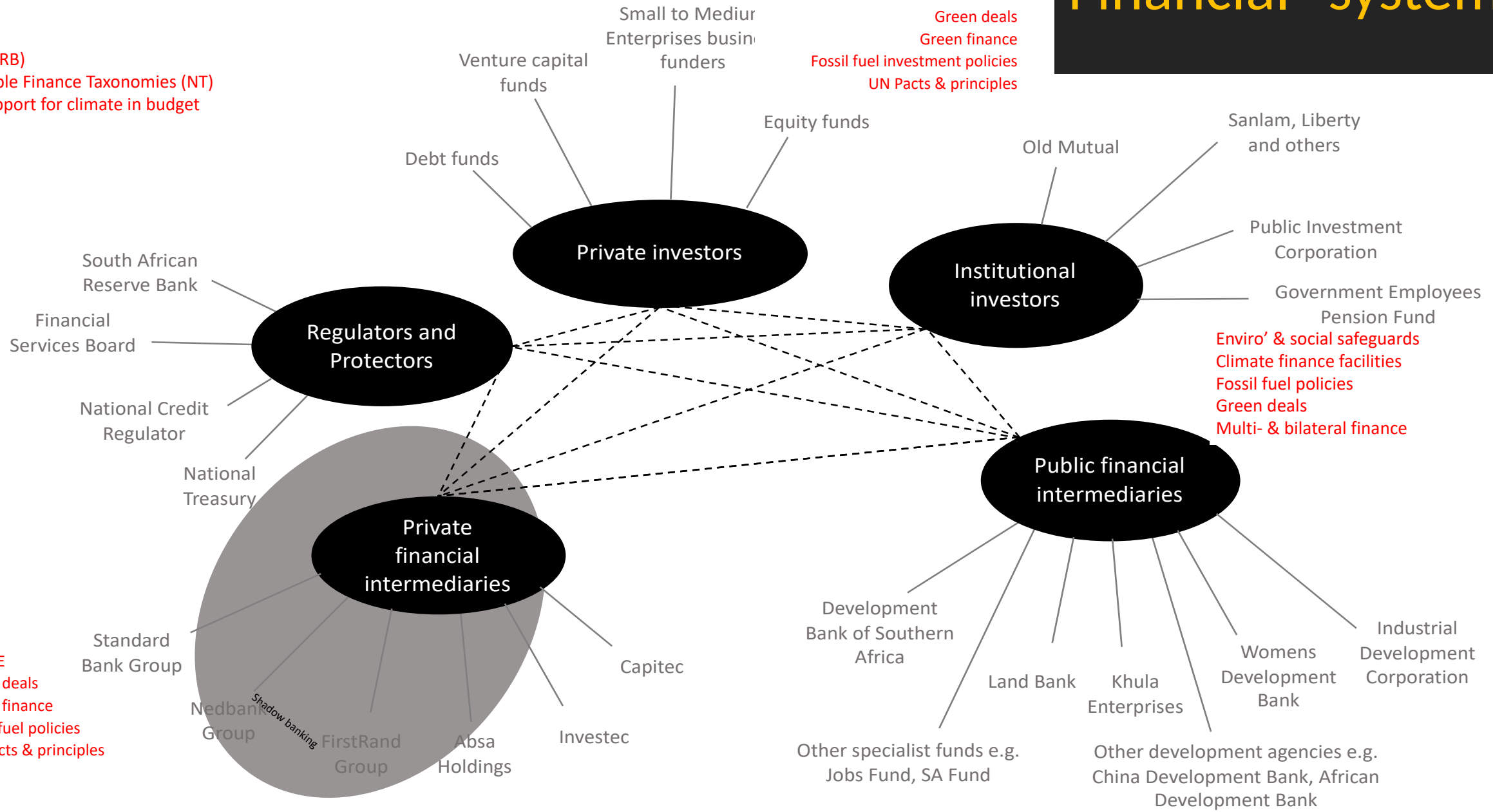
Energy transitions have specific characteristics (Araujo, 2014)

- Urgency of technological shifts
- Contestation and trade-offs among environmental, social and economic goals
- Necessity of innovation for sourcing, delivering and utilising energy
- Recognition of how livelihoods are impacted due to transitions (Newell and Mulvaney, 2013, Jasanoff, 2018)

Financial "system"

TCFD (SARB)
Sustainable Finance Taxonomies (NT)
Fiscal support for climate in budget

ESG
TCFD
JSE SSE
Green deals
Green finance
Fossil fuel investment policies
UN Pacts & principles



ESG
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Enviro' & social safeguards
Climate finance facilities
Fossil fuel policies
Green deals
Multi- & bilateral finance

Exploring how financial systems relate to energy transitions

What is different?	What does this mean for quality of financial response?
Temporality	Urgency over different time frames, simultaneous response
Directionality	Consistency in direction of response (what is done, and not done)
Systemic	Creation of new system and disruption of old system
Social quality	Livelihoods and contestation , trade offs
Experimental	Adaptive responses, learning, shifting expectations

South Africa (1994 – 2019): Dialogue to align policy & finance

1. Crisis imposed responses are driving South Africa's energy transition
2. Ambiguity exists around policy directions
3. Inadequate policies exist for aligning social justice with energy transitions
4. Ambiguity generates increased civil pressures on finance and policymakers
5. Unrealistic reliance on government support for future investment
6. Financial practices are incompatible with just energy transition
7. Financial intermediaries are engaged at project-specific
8. Expectations gap between policy makers & financial intermediaries



**The
World's
Most
Unequal
Country**



S H A R E

The five questions

Question 1:

How will finance **sustain** momentum of energy transition?

Question 2:

What options exist to **harmonise** access and locate resources where most needed and impactful?

Question 3:

How to **align** energy transition and fiscal and development realities?

Question 4:

How to **reflect** principles of risk sharing and expectation management?

Question 5:

How to respond **equitably** to the most vulnerable needs and distribute benefits of transition fairly?



Dr Chantal Naidoo

Research Fellow, University of Sussex

Executive Director, Rabia Transitions

chantal.naidoo@rabiitransitions.org

