



Communication and Marketing Department
Isebe loThungelwano neNtengiso
Kommunikasie en Bemerkingsdepartement

Private Bag X3, Rondebosch 7701, South Africa
Welgelegen House, Chapel Road Extension, Rosebank, Cape Town
Tel: +27 (0) 21 650 5427/5428/5674 Fax: +27 (0) 21 650 5628

www.uct.ac.za

27 October 2020

UCT climate change experts develop Just Transition Transaction aimed at addressing South Africa's electricity supply crisis

Three University of Cape Town (UCT) climate change experts have carried out a case study to understand what a just transition of South Africa's energy landscape into a low-carbon environment could look like. This Just Transition Transaction (JTT) aims to simultaneously solve the electricity supply crisis in South Africa while moving the country towards renewable energy, its emissions commitments and job creation in terms of the Paris Agreement.

In their case study, [Climate finance to transform energy infrastructure as part of a just transition in South Africa](#), Professor Harald Winkler of the Faculty of Engineering & the Built Environment, Samatha Keen, a UCT international climate policy consortium research partner, and Dr Andrew Marquard from the Department of Chemical Engineering set out a roadmap for resolving South Africa's energy crisis through a shift to renewable energy. The study outlines how a just transition to renewables could address the above challenges, create jobs and move South Africa towards net-zero emissions.

"A just transition in South Africa's electricity sector from coal to cleaner energy is critical for climate change mitigation. And to be just, the transition must leave no one behind. A just transition transaction, as a mechanism, mobilises blended finance to fund the accelerated phase-out of coal, thereby accelerating a transition from coal to renewable energy, and the protection of the livelihoods of those communities and workers affected," said Professor Winkler.

JTT aims to develop infrastructure based on a least-cost electricity supply-and-demand balance. The JTT would accelerate the phase-out of coal-fired power plants. This faster phase-out of coal is essential to attract climate finance.

The study aligns with UCT's environmental sustainability strategy, which acknowledges the urgent need for climate mitigation while recognising that the transition away from fossil fuels must allow for continued growth of jobs and the economy.

Manfred Braune, the director of environmental sustainability at UCT, said that the university recognises the importance of the JTT and aims to follow a similar energy evolution. "The university's own transformation is on a similar transition into a low-carbon campus over the next 20 to 30 years, aiming for net-zero carbon status by 2050, or earlier if possible, in line with the Paris Agreement goals."

The study envisions a climate finance transaction of US\$11 billion – the largest and most significant of its kind – that will channel funds towards the accelerated phase-out of coal-fired

power, keeping Eskom solvent as it decarbonises, and supporting the communities and workers affected by the shift away from coal.

Approximately one-third of the finance (\$4 billion) would flow from concessional loans, helping to keep the SOE afloat. "Realisation of the JTT depends on the international climate finance community mobilising at least \$4 billion of concessional finance for the deal. Financing the transition is particularly important in a developing country like South Africa, with pressing needs for investment in development and for societal justice," said Winkler.

The transition towards renewable energy also has the potential to drive industrialisation while localising the technology value chain. This will encourage localised job creation as well as community infrastructure ownership to create a sustainable Independent Power Producer model that will not make South Africans reliant on private corporations for electricity.

ENDS

Issued by: UCT Communication and Marketing Department

Ridovhona Mbulaheni

Media Liaison Assistant
Communication and Marketing Department
University of Cape Town
Rondebosch
Tel: (021) 650 2333
Cell: (064) 905 3807
Email: ridovhona.mbulaheni@uct.ac.za
Website: www.uct.ac.za