



**The Honourable President Cyril Ramaphosa**

President of the Republic of South Africa

c/o Mr Mike Louw

Director: Support Services for the Presidency

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**The Honourable Minister Gwede Mantashe**

Minister of Mineral Resources and Energy

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**Mr Daniel Mminele**

Head of the Presidential Climate Finance Task Team

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17 February 2022

Dear Sirs and Mesdames

**SOUTH AFRICA'S PARTICIPATION IN THE JUST ENERGY TRANSITION PARTNERSHIP ("JETP"): SUPPORT FOR THE TASK TEAM AND REQUEST FOR INFORMATION ON ITS WORK**

1. We write to you as two South African civil society coalitions, the Life after Coal Campaign (LAC)<sup>1</sup> and the Fair Finance Coalition South Africa (FFCSA)<sup>2</sup>.
2. We welcome the establishment of the Presidential Climate Finance Task Team (the “Task Team”) and note Mr Mminele’s recent appointment as head of the Task Team. He has been given an urgent and significant task - one which involves facilitating the financing of solutions to address a global climate emergency.
3. In November 2021, the Life after Coal Campaign<sup>3</sup> and other civil society groups cautiously welcomed the announcement, at the UN Climate Change Conference (COP26) on 2 November 2021, of a partnership between the South African government and the governments of France, Germany, the United Kingdom (UK) and the United States (US), as well as the European Union (EU), to support a just transition to a low-carbon economy and a climate resilient society in South Africa.
4. The announcement, which committed to mobilising an initial \$8.5 billion over the next three to five years, represents an important acknowledgement of the developed world’s significant climate debt as well as affirming South Africa’s commitment to an ambitious, swift, and just transition. The partnership, the first of its kind, presents a unique opportunity to structure a climate finance deal that is transparent and participatory, ensures accountability, and delivers on real climate justice and the just transition - particularly for those who bear the brunt of South Africa’s heavy reliance on coal.
5. A media statement issued by The Presidency, on the same day as the announcement, sets out a “Political Declaration” from the governments of South Africa, the UK and Northern Ireland, France, Germany, and the EU.<sup>4</sup> The Declaration refers to “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.”<sup>5</sup>
6. We further note the Declaration’s commitment to the establishment of a joint taskforce (“comprised of South African and international partners”)<sup>6</sup> to develop a programme of work over the next year. Mr Mminele will need to draw on his extensive experience to guide and hasten a process that is not only long overdue but fraught with many complexities.
7. It is our intention not only to support and inform this work from a civil society perspective, but to closely monitor the work of the Task Team to ensure that any climate finance agreements or partnerships serve the best

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<sup>1</sup> Life After Coal is a joint campaign by organisations Earthlife Africa, groundWork, and the Centre for Environmental Rights, which aims to: discourage the development of new coal-fired power stations and mines; reduce emissions from existing coal infrastructure and encourage a coal phase-out; and enable a just transition to sustainable energy systems for the people. See <https://lifeaftercoal.org.za/>

<sup>2</sup> Fair Finance South Africa is a civil society coalition working towards ensuring Development Finance Institutions invest in a socially and environmentally responsible manner. The coalition focuses on issues of climate change and transparency. Fair Finance South Africa consists of 350.Africa, the Centre for Environmental Rights (CER), the Centre for Applied Legal Studies (CALs), the African Climate Reality Project (ACRP), Oxfam South Africa, Earthlife Africa and Justice Ambiental (JA!).

<sup>3</sup> <https://lifeaftercoal.org.za/media/south-africas-first-climate-finance-deal-is-a-promising-start>

<sup>4</sup> See <http://www.thepresidency.gov.za/press-statements/south-africa-establishes-historic-international-partnership-support-just-transition>

<sup>5</sup> At para 18.

<sup>6</sup> At para 17.

interests of all South Africans. This includes, in particular, the interest of young people who have the most to lose and gain by how South Africa navigates the just transition and responds to climate change.

### **Request for Additional Information and Clarity**

8. We respectfully request the Presidency and/or Mr Mminele to provide us with information and feedback on the following issues:
  - 8.1. Please confirm and indicate the details of the Presidency and the Task Team's commitment to transparency in respect of the negotiation process, including any obligations and conditions proposed for South Africa as between the partner countries and any institutions that will be implementing any finance arrangements.
  - 8.2. We understand that the Presidential Climate Finance Task Team, led by Mr Mminele, together with the Asset and Liability Division from National Treasury, will analyse the climate finance offer against various criteria, whilst also coordinating relevant government departments. We note that while there is a stated intent to co-ordinate government departments, development finance institutions and the private sector, no mention is made of the role of civil society.
    - 8.2.1. Please indicate whether the Task Team will ensure the involvement of and consultation with civil society and community organisations in its processes?
    - 8.2.2. Will the Task Team comprise other state or private actors or institutions? If so, please provide details of who is to comprise the Task Team?
  - 8.3. We recognize the many competing interests and complexities which underpin the energy complex in South Africa and would like to understand what role the Presidency will play in ensuring national policy certainty that will advance South Africa's climate ambitions and goals and advance section 24(b)(iii) of the Constitution which states that, *"Everyone has the right to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development."*
  - 8.4. We understand that Eskom's Just Energy Transaction will require \$30 – 35 billion over 15 years however the Political Declaration only refers to an initial amount of \$8.5 billion.
    - 8.4.1. Will any climate finance deal in terms of the JETP, only advance Eskom's Just Energy Transaction? If so, will the Task Team be working towards facilitating additional finance required by Eskom, over and above the \$8,5 billion referred to in the Political Declaration?
    - 8.4.2. Will the Task Team also focus on the facilitation and negotiation of the significant finance required to meet South Africa's climate adaptation needs? In this regard, we would like to understand whether the Task Team will only focus on negotiating the climate finance as specifically anticipated in the Political Declaration or whether its work extends to negotiating and facilitating climate finance for South Africa more generally? We do recognize that the initial commitment of

\$8.5 billion is an inadequate commitment by the donor countries and we support any engagements that will facilitate additional climate finance commitments.

### **Additional Information to be considered as part of any Climate Finance Agreement**

9. We note that the Political Declaration refers only to *“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,”*<sup>7</sup> but makes no commitment to pace nor specific interim targets. We further note that the Declaration commits to supporting *“South Africa’s nationally determined efforts to successfully and sustainably manage Eskom’s debt”*<sup>8</sup> and to *“improve Eskom’s long term financial stability.”*<sup>9</sup>
10. In light of the above and having regard for the Life After Coal Campaigns previous statement and stance in relation to the Climate Finance deal,<sup>10</sup> we kindly request that you consider the following:
  - 10.1. The Task Team should ensure complete transparency in relation to ongoing negotiations with donor countries, the proposed deals which are being considered, including the concessional nature of the deals and any accompanying conditions, before they are finalized and agreed to by South Africa. The processes for the operation of the Task Team, including any additional guiding principles or processes, should be made publicly available and a firm commitment should be made to ensuring consultation with community and civil society stakeholders.
  - 10.2. Finance should be conditional upon the retirement and reduced utilisation of Eskom’s coal power stations at a pace and scope that allows South Africa to meet and go beyond the lower bound of its NDC, i.e. 350 Mt CO<sub>2</sub>e.
  - 10.3. Any finance should address the issue of Eskom’s debt. Without addressing the paralysis caused by Eskom’s debt burden, beyond Eskom’s debt management strategy, no progress can be made towards economic and social justice, which are essential elements of a just transition.
  - 10.4. Finance should include the repurposing of Eskom coal power stations and coal related infrastructure for example, through renewable energy on the sites of the coal power stations.
  - 10.5. The deal should also fund:
    - 10.5.1. the rehabilitation and proper closure of coal mining areas and coal power station infrastructure. Without rehabilitation, coal mining areas are effectively sterilised for other local development, and are massively detrimental, on an ongoing and intensifying basis, for South Africa’s climate resilience, water and food security. Coal power station infrastructure, such as ash dumps, contain toxic contaminants which continue entering the surrounding environment long after the plant has ceased operations;

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<sup>7</sup> At para 17(a).

<sup>8</sup> At para 17(c).

<sup>9</sup> At para 20(2)(c).

<sup>10</sup> See fn 3 above.

10.5.2. the development of publicly owned and community owned renewable energy, including at a municipal level. Renewable energy must be prioritized and rapidly scaled-up in order for SA to meet decarbonisation requirements; and

10.5.3. energy efficiency policies and measures must be developed and promoted to assist and support users to utilise electricity more efficiently without reducing economic activity or outputs.

10.6. The deal should not include finance for, any new fossil fuels, including:

10.6.1. Coal: A condition of this finance must be that the South African government abandons plans to develop any new coal power and accelerates the decommissioning of existing coal power;

10.6.2. Gas: this includes Eskom's proposed R85 billion 3000MW gas plant and any repurposing of coal plants to gas power;

10.6.3. Nuclear: which has been promoted as carbon free and 'green' but is neither green nor affordable;

10.6.4. The implementation of emissions reduction plans by South Africa's big corporate greenhouse gas emitters, including in particular Sasol and ArcelorMittal South Africa;

10.6.5. Privately owned renewable energy. We submit that there is adequate private funding for privately owned renewable energy; and

10.6.6. Finally, the deal should not be conditional on cost-reflective tariffs or other measures that impose increased economic hardship or austerity on low-income electricity users.

11. There is great public interest in the climate finance deal and the impact it will have on all South Africans, we therefore trust that you will provide us with a detailed and considered response within 20 days of receipt of this letter. We are also available to engage further in relation to the issues which have been raised.

Yours faithfully,

Leanne Govindsamy  
Attorney and Programme Head: Corporate Accountability and Transparency  
Centre for Environmental Rights  
**On behalf of the Life After Coal Campaign**

Glen Tyler-Davies  
South African Team Leader  
[350Africa.org](http://350Africa.org)  
**On behalf of the Fair Finance Coalition, South Africa**