JUST ENERGY TRANSITION (JET)
ROUNDTABLE REPORT

UNLOCKING FINANCE MECHANISMS FOR THE SOCIAL DEVELOPMENT AND LIVELIHOODS COMPONENTS OF SOUTH AFRICA'S JET

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Date: 23 June 2023
Time: 09:00-12:00
Venue: The Radisson Blu Gautrain

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EXECUTIVE SUMMARY

The February 2023 Investing in African Mining Indaba marked the start of a series of quarterly roundtable discussions between the mining sector and social partners, on the topic of the Just Energy Transition (JET). While the series was initially spearheaded by Anglo American, the African Climate Foundation (ACF) and the Presidential Climate Commission (PCC), core partners now also include the Minerals Council South Africa (MINCOSA) and Sasol. These quarterly sessions aim to connect thought leaders, improve collaboration, support economic diversification and employment strategy coordination, enhance social partner participation in JET interventions and highlight JET-related opportunities for the mining sector. Roundtable sessions will converge annually at the Investing in African Mining Indaba, enabling reflection, a review of progress and the opportunity for partners to connect.

The second JET roundtable session took place on 23 June 2023, under the theme 'Unlocking Finance Mechanisms for the Social Development and Livelihoods Components of South Africa's JET'. Participants were reminded that, while South Africa's energy crisis may be daunting, the JET Investment Plan (IP) represents the opportunity for partners to collaborate in problem solving, scaling generational capacity, creating new livelihoods and ensuring a just transition to a low carbon economy. Roundtable Session Two focused specifically on building a more comprehensive understanding of the financial challenges and opportunities associated with the JET, to identify innovative financing mechanisms, explore repurposing of existing funds and financing instruments, learn from international partners and identify/engage potential financing partners.

Key messages emerging related to themes such as skills development and the growth of future mining skills, community development and optimising localised value chain growth, and addressing regulatory and institutional investment barriers. Recommendations included recognition of the importance of:

- A just, 'whole of society' approach to the JET, and a transition that also addresses the triple challenges of poverty, inequality and unemployment.

- Co-funding and blended financing to address priorities such as small, medium and micro enterprise (SMME) development, catalysing infrastructure improvements, skills development of affected workforce members, equipping the future labour force, enabling social ownership and supporting local economic diversification.
- An equitable distribution of livelihood and job-related risks and opportunities associated with the transition.
- Tailor-making localised interventions, while also viewing value chains from a regional perspective – in this way expanding opportunities.
- Enabling the growth of new economy value chains in a manner that supports both existing and new enterprises.
- Finding ways to unlock South Africa's available funding pool (including numerous funds that are currently inadequately spent, or hampered by institutional and/or regulatory challenges) to support the JET.
- Tapping into South Africa's deep non-banking capital markets through ensuring the development and presentation of viable, bankable projects, and making use of concessional funding to improve both investment and transition speed.
- Alternative financing approaches (such as repurposing mine rehabilitation funds).
- Understanding investor interests and needs (including emphasis on the 'accepted' scientific net zero path), and presenting national plans in an aligned manner.
- Progressing decarbonisation plans at a faster rate than regulation dictates, and improving investor confidence by providing a clear indication of what investment impact will look like – in practice – as a way of improving South Africa's investment attractiveness.
- Targeting policy coherence between various role-players across state spheres.

The above would need to be addressed in an integrated manner, with the support of all parties, for an optimal JET transition that serves all.

Finally, it should be noted that additional roundtable session topics have been identified, with these emerging from discussions to date. These are set out in Annexure A.

1. THE JET ROUNDTABLE SERIES: SETTING THE SCENE

In February 2023, Anglo American, the African Climate Foundation (ACF) and the Presidential Climate Commission (PCC) came together during the course of the Investing in African Mining Indaba to convene a roundtable session focused specifically on 'Opportunities for the Mining Sector in the Just Transition'. This marked the start of a series of quarterly roundtable discussions between the mining sector and social partners on the Just Energy Transition (JET). In initiating the roundtable series, parties aimed to:

- Highlight JET-related opportunities for the mining sector.
- Share mining industry leader and social partner perspectives on the JET.
- Identify areas where the mining sector can increase social partner participation within JET interventions.
- Connect JET thought leaders with mining sector leaders, to bolster collaboration.
- Coordinate economic diversification and employment strategies within the JET.

Since this initial engagement, the JET series partnership has expanded, with core partners now including the Minerals Council South Africa (MINCOSA), Anglo American, Sasol, the ACF and the PCC. Following the initial roundtables in 2023, parties have agreed that the roundtable series will converge annually at the Investing in African Mining Indaba, to create a space where the sector and social partners can discuss the sector's progress in the JET, and find ways to coordinate partnerships between the mining sector and social partners, including with non-traditional partners such as philanthropies.

2. JET ROUNDTABLE SESSION TWO: OPENING, WELCOME AND FRAMING REMARKS

On 23 June 2023, South African mining sector representatives, representatives from the financial sector, philanthropic organisations, policy makers, social partners and other players in the industry gathered in Sandton for the second JET roundtable session. Discussions took place under the theme ‘Unlocking Finance Mechanisms for the Social Development and Livelihoods Components of South Africa’s JET’.

Nolitha Fakude, Chair of Anglo American’s Management Board in South Africa, opened the session. She welcomed all present, highlighting, in particular, the role of the core partners in convening the dialogue series, including: Charlotte Mokoena, Sasol’s Executive Vice President of Human Resources and Stakeholder Relations; Mzila Mthenjane, Chief Executive Officer (CEO) designate of MINCOSA; Saliem Fakir, Executive Director of the ACF; and Dr Crispian Olver, Executive Director of the PCC.

In framing the discussion, Fakude reflected on the context within which South Africa’s energy crisis takes place, defining ‘crisis’ as ‘a cluster of related risks with compounding effects’. Two concurrent crises were noted: the global climate crisis, and South Africa’s unemployment and inequality realities. She argued that while daunting, this also represented a period of immense opportunity, with the JET Investment Plan (IP) offering a pathway to scale generational capacity, create new livelihoods and transition to a low carbon economy. It also represented a platform for like-minded stakeholders to come together to find solutions through which to create a more ‘just’ JET.

Following on from the above, **Charlotte Mokoena** highlighted the purpose and intended outcomes of the second roundtable discussion. She reflected on how financing the ‘just’ component of the energy transition and ensuring a sound transition to a low carbon and sustainable economy required all partners to work hand in hand, to channel financing towards elements and instruments supportive of the JET. Partnerships could enable pooling of resources, alignment of objectives and sharing of risks, thereby driving change.

Objectives for the roundtable session were noted as including the following:

- To foster a comprehensive understanding of the financing challenges and opportunities associated with South Africa's JET, with particular focus on the social and livelihood components.
- To discuss innovative financial mechanisms that the mining sector could co-design with social partners, to effectively support the 'just' aspect of the transition.
- To explore potential repurposing of existing funds and financing instruments, to realise the transition's social and livelihood objectives, e.g. leveraging Social and Labour Plans (SLPs) and the Sector Education and Training Authorities (SETAs).
- To learn from international experiences (e.g. the US Inflation Reduction Act), and the implications for attracting investment into green industries.
- To identify and engage non-traditional financing partners, including philanthropic organisations, to collaborate and support JET initiatives through models such as Public-Private Partnerships (PPPs).

Participants were thanked in advance for their contribution to the session's open dialogue and collaboration, with this ultimately supporting action towards the JET.

3. FRAMING THE CHALLENGES AND OPPORTUNITIES IN THE JET INVESTMENT PLAN

Janice Johnston, Financing Advisor in the JET IP Projects Management Unit (PMU), provided input on the challenges and opportunities associated with South Africa's JET IP. She reflected on the serious nature of South Africa's climate risks, noting that a successful shift from a high carbon to a net zero economy by 2050 required the adoption of a just, 'whole of society' approach, bringing all sectors of society on board. She argued that it was necessary for a targeted transition to simultaneously address South Africa's challenges of poverty, inequality, unemployment and economic exclusion. The JET IP adopts this perspective, setting out South Africa's approach and the financing needs and options for the period between 2023 and 2027, to ensure decarbonisation of the economy in a just and inclusive manner, and at the rate identified as necessary to meet the Nationally Determined Contribution (NDC) targets. In total, funding requirements for the five-year period have been set at an estimated R1.5 trillion (US$98.7 billion), with the JET IP serving as an invitation to international and local investors and donors to partner with South Africa on its JET journey. The IP emphasises the need for funding from multiple sources, with investments to be made across three priority sectors (electricity, new energy vehicles and green hydrogen) and two cross-cutting areas (skills development and capacity development within municipalities).

Johnston provided a more detailed breakdown of the just transition investment needs pertaining to Mpumalanga, with emphasis on the following priorities:

- Improving infrastructure for development purposes (including that related to mine rehabilitation, and access to services currently provided by mining companies).
- Diversifying the local economy, with this including a focus on supporting local role-players, particularly small and medium enterprises, while also targeting additional funding to promote and accelerate growth in other catalytic job-creating sectors.

- Caring for the local coal workforce (e.g. through skilling, retraining, repositioning and providing social support).

Delegates were provided with an overview of some of the other nationwide electricity-sector-related funding needs, with these including two priorities: manufacturing and localising the clean energy value chain, and social ownership model pilots. The cross-cutting area of skills development was raised as one in which there was some degree of push-back from some stakeholders in relation to proposals on the table, given the view that these are insufficient in addressing future-fit skills development aligned to sectors rich in employment opportunities.

An argument was made for the use of a combination of funding mechanisms. In total, the US$8.5 billion International Partners Group (IPG) offer contributes approximately 12% of South Africa's JET IP funding needs for the next five years, with further work needed to timeously access funding for priority areas. Grant funding has primarily been allocated to technical assistance and capacity building in respect of the following: municipal capability and capacity building; social ownership pilots; skills development; electricity (decommissioning and repurposing); and a feasibility study for green hydrogen. There is still a need for further co-funding arrangements and blended financing to address the broader funding needs. In addition, grant funding is still required for critical JET elements, including skills development, social ownership models, diversification of local economies in Mpumalanga and other affected areas, coal workforce support, and infrastructure improvements through which to support and catalyse development.

The PCC's Dr Crispian Olver initiated his response with a reflection on the value of the opportunity to engage in an ongoing dialogue with members of the mining community afforded to the PCC and other partners. He advanced that the PCC foresaw a future energy economy that would be more minerals intensive, with a massive expansion in mining and mining-related employment, specifically in relation to South Africa's green minerals. The potential of the transition to create more jobs than would be lost was a 'saving grace', although a number of challenges would need to be addressed to ensure that risks and opportunities were equitably shared across all role-players in society, for example:

- Future jobs will not be in the same location.
- The future energy economy will involve different business processes and mining operations, and will roll out at different times.
- Labour market churn will need to be managed collectively, with the PCC hoping to partner with and assist mining sector counterparts, to support a smoother journey.

At the heart of the equitable distribution of risks and opportunities were the issues of livelihoods and jobs, with workers and their communities standing to lose the most in the transition. To counter this risk, Olver argued that there was a need to:

- Through the focus on skills, equip the future labour force for the different nature of the economy, including alternative mining operations and mining locations.
- Enable the establishment of value chains linked to the new economy, supporting existing and new enterprises in moving into these value chains.
- Ensure that income support mechanisms are in place to cushion those workers who are unable to be transitioned (e.g. due to age).

Olver closed with the following reflections:

- The view that South Africa does not have a funding issue in respect of the skills development requirements, given the numerous sources of funding that exist. Instead, the primary challenge relates to misspending of budgets and institutional challenges, e.g. in relation to the Technical and Vocational Education and Training (TVET) colleges and the SETA system. An alternative question was raised: How do we use the JET IP to unlock the huge pool of funding the country is not spending adequately?
- Enterprise development is already an area of focus, including through initiatives like Corporate Social Investment (CSI) spend, and organisations focusing on preferential procurement and Broad-Based Black Economic Empowerment (BBBEE) targets. Olver argued that government should leave the area of

enterprise development to private sector role-players and instead focus on bringing role-players together more effectively.

- Attention needs to be placed on mine rehabilitation funds, and whether these are adequately capitalised. With the envisaged premature closure of industries as the demand for coal drops off, the question arises: Are we able to unlock a coordinated mine rehabilitation process that can extend the life of the jobs for many of these mine workers, before they need to be transitioned elsewhere? An adequately funded and coordinated mining rehabilitation programme on the back of mine closures would potentially provide the necessary funds to buffer the impact. This is noted as a point that would require further investigation, given MINCOSA's input that the repurposing of mine closure funds is not possible from a regulatory perspective.

In closing, Olver called for participants to reflect on ways in which the JET IP funds could be used in a catalytic way, to unlock the institutional challenges faced.

4. HOW FINANCIAL INSTITUTIONS CAN APPROACH THE JET: A CASE STUDY

Shameela Soobramoney, the National Business Initiative's CEO, shared insights on the role of financial institutions within the JET, and the perspectives of investors when making decisions. She emphasised the importance of having a clear plan as a country, and being able to defend the identified commitments. The following trends were highlighted:

- The massive growth in net zero commitments globally, with financing alliances largely dominated by voices from the global north. Global investors tend to be less interested in South Africa's focus on a just transition and the associated pathways. Instead, investors look for the extent to which the approach aligns with their view of a scientific net zero, and the 'accepted' associated trajectory. If South Africa is to attract investment, it needs to articulate plans in a way that addresses these issues. It is also critical for South Africa to progress its decarbonisation plans at a faster rate than regulations or policy demands, in this way building funding attractiveness.
- The significant work many emerging markets are rolling out and the rapid policy changes that they are adopting to enhance attractiveness to investors. This raises concerns in terms of South Africa's comparative investment attractiveness, given that it has, to date, demonstrated less agility with its more 'flat-footed' approach.
- The rapid movement of market forces in one direction, with this raising the urgency of owning South Africa's conversation, and translating this into action. It is critical that the debate at the highest levels in South Africa is influenced positively, ensuring that it takes stock of global movements while also putting decisions into practice so that South Africa can remain competitive and, in so doing, create jobs. Soobramoney reminded delegates that 'South Africa is not an insular economy'.
- The fact that some investors want to invest for impact, but need a clear articulation of what impact will look like in practice, with impact investing noted as another option that could be followed on the grant funding side.

Soobramoney turned to the question of South Africa's available capital markets, arguing that these are deep, with non-banking assets (e.g. pension funds) twice the size of banking assets. She reflected on the fact that these represent markets that can be tapped immediately, with money flowing to where it makes sense (e.g. bankable projects). The question, however, remains: how to attract catalytic money for items that are not at current commercial rates. With investors viewing emerging markets as expensive value propositions, it is critical that South Africa finds ways to tap into its own markets. With this, she raised the critical role of the pension funds, with the investment industry needing to be drawn into the conversation. She argued that this was a pool of funding that should be invested in making the country work, so that clients can retire into a well-functioning society rather than one plagued by deep inequality and unrest.

Other points raised for noting included the following:

- The realities of the Multilateral Development Banks (MDB) reform agenda, which regionally are meant to catalyse each US$1 invested at a rate of 1:10. This is not happening in practice, with the rate instead currently at around 1:0.45. There is competition for these funds, with South Africa needing to understand why the catalyst is not creating great impact, if this is a line of financing we depend on.
- The financial sector was not set up to prioritise sustainable development, with the whole system needing to be reorientated. This change will take time. Quick wins may, however, be gained through understanding how investors conceptualise the sustainability agenda, and how South Africa can elevate the JET in that context. South Africa could hold its own narrative here, reflecting on why sustainable development matters and the costs of not delivering on it (e.g. limited jobs, energy needs that are unmet). This could then translate into investment requests.
- Concessional financing represents one way in which funding can be channelled back into the economy, for the benefit of those on the ground. By way of example, concessional financing could be applied to electric vehicle purchases, with consumers receiving a reduction in financing costs and manufacturers benefiting from sales. Addressing both supply and demand factors creates greater impact.

5. ROUNDTABLE DISCUSSIONS: OVERVIEW, KEY MESSAGES AND AREAS FOR FURTHER WORK

Participants divided into three breakaways, focused on the following themes:

Topic 1: Unlocking skills supply and demand alongside a JET in the mining sector

Topic 2: Unlocking green investment and new industry to support job creation and localisation for sustainable livelihoods through a JET in the mining sector

Topic 3: Ensuring that the implementation of the JET also seeks to address issues relating to mining supply chain localisation and shared ownership models

Each group was tasked with addressing a specific question ('Part A', included in the relevant sections below), and a set of common questions ('Part B'):

1. What are business and other social partners already doing, individually and collaboratively, to support these needs?
2. What kind of partnerships are needed to scale action and impact?
3. What financial resources and mechanisms are available to scale initiatives aimed at supporting the issues included under this theme?

5.1 UNLOCKING SKILLS SUPPLY AND DEMAND ALONGSIDE A JET IN THE MINING SECTOR

Part A

What are the skills needs and how can we address them while implementing a JET in the mining sector?

Key issues and ideas emerging from the discussion were as follows:

- In determining the skills needs, it is important to understand the skills transition timeframe, and carry out a national mapping process of the skills ecosystem in the mining sector (identifying current skills and future needs for new industries).
- Basic skills that should be retained in the mining sector need to be identified.
- There are a range of hard and soft skills needed to a) both support the transition, and b) transfer both hard and soft skills:
    - From a hard skills perspective, maintenance skills are needed, in addition to skills for new technologies (e.g. green hydrogen, electric vehicles).
    - From a soft skills perspective, needs within companies include:
        - » Strong project management and change management capabilities.
        - » Leadership and management skills, including capacitation of company leaders so that they are equipped to manage and lead the transition.
        - » Skills to support development.
    - Within industry operating environments, skills needs may also relate to stakeholders within the industry value chains, and members of the surrounding communities who may or may not have the skills to access the opportunities, and to be part of new industries. To support this, there is a need to consider:
        - » Skills needed within the labour force and within industry.
        - » Skills and capacity within municipalities.
        - » Capacity development within civil society.
        - » Curriculum development in training institutions, to ensure these are responsive and linked to the skills mapping for the country over time.
        - » Legislation and regulations, and improving the speed of roll out in this area.

Part B

What are business and other social partners already doing, what kinds of partnerships are needed, and what financial resources and mechanisms are available to scale impact?

The team only had sufficient time to focus on the question of available financial resources. The group argued for the development of a robust map reflecting funding availability and how to effectively channel the finances. Current sources of funding noted included: company funding, philanthropic funding, funding from Development Finance Institutions (DFIs) and SLP funding.

5.2 UNLOCKING GREEN INVESTMENT AND NEW INDUSTRY TO SUPPORT JOB CREATION AND LOCALISATION FOR SUSTAINABLE LIVELIHOODS THROUGH A JET IN THE MINING SECTOR

Part A

What needs to be done to link job creation through green investment and new industry, to support sustainable livelihoods as part of a JET in the mining sector?

Key issues and ideas emerging from the discussion were as follows:

- There are a host of efforts nationally and provincially, especially in Mpumalanga, with the need to coordinate efforts, create synergies and reduce duplications.
- The ideal platform to take the conversation forward may be the establishment of a Steering Committee, which will allow all key role-players from the various partners, including those in Mpumalanga, to coordinate efforts, thereby preventing wastage of funding and resource expenditure. The step of establishing a multisectoral database of all green economy projects in the province is seen as one that will really take the green economy forward, enabling identification of cross-cutting opportunities for job creation and greater coordination and impact.

Part B

What are business and other social partners already doing, what kinds of partnerships are needed, and what financial resources and mechanisms are available to scale impact?

Key issues and ideas emerging from the discussion were as follows:

- There is insufficient integration between provincial and national government with respect to the JET plan that has been put forward for Komati, with this requiring some form of integration to match expectations from the provincial level to the national level, to the entity delivering on the JET.
- Financing is critical to support unlocking of the green economy initiative, with a host of funding available to take projects forward once they are bankable. The key question relates to how to realise the funds that can catalyse these initiatives. To address this, the development funder needs to have line of sight of the various projects currently in the pipeline, to understand where to play a part. This also raises the need for commercial funders to come into the process earlier, to help shape projects so that they can be taken to a commercial bankable stage as soon as possible.
- One of the proposals to address this challenge was the creation of a project development unit within Mpumalanga as a pilot, to bring key institutions on board to develop a project pipeline and match the funds to projects.
- There is also a need to carry out deeper stakeholder mapping, and to establish pilot/demonstration sites through which to prove concepts and test ideas.

5.3 ENSURING IMPLEMENTATION OF THE JET ALSO SEEKS TO ADDRESS ISSUES RELATING TO SUPPLY CHAIN LOCALISATION AND SHARED OWNERSHIP MODELS IN THE MINING SECTOR

Part A

How can we ensure that increased local and shared ownership of JET initiatives and projects is encouraged and supported?

Key issues and ideas emerging from the discussion were as follows:

- A question was raised in terms of how to regionalise localisation efforts that companies are already individually implementing (recognising, in parallel, that many localisation efforts are not dealing with the targets set, and will need to correct for this).
- For effective social partnerships, leadership capacity within communities needs to be developed, recognising that the successes to date are those where strong leadership exists. Examples cited included the Royal Bafokeng, and multilayer models with different administrative versus operational structures to address ownership.
- There is a need to address the question of 'ownership' versus 'benefit', and at what point this issue is taken to communities. One of the challenges highlighted related to the need to address the difference between restorative and distributive justice, with communities needing to be engaged fully so that the distributive justice leg is managed soundly. This raises complex questions such as: Justice for whom? Is it for the small community around the mines, regional communities or others in the supply chain?

Part B

What are business and other social partners already doing, what kinds of partnerships are needed, and what financial resources and mechanisms are available to scale impact?

Key issues and ideas emerging from the discussion were as follows:

- A policy discussion is needed with the Department of Mineral Resources and Energy (DMRE) to ensure that SLPs are leveraged more effectively. While mine closures are addressed, there needs to be greater emphasis on socio-economic development (SED) planning and the management of risks.
- There is a mismatch between the renewable energy industry and the mining industry from a policy and regulation perspective, with these elements not always talking to each other. Improved policy coherence is needed.
- A question was raised in terms of how parties could match the SED funding that exists with mining companies, with organisations like banks that are looking for low-income customers (e.g. for loans for the roll out of solar energy systems and other renewables), and how to also de-risk this with the money coming out of the SED funds.
- When reflecting on financing, SLPs, CSI and Corporate Social Responsibility (CSR) in particular, it was noted that this comes to a substantial amount (around R3.5 billion). There is, however, a need to improve impact, including through addressing barriers such as the rules that prevent collaboration. Regional collaborations were proposed as a form of a demand-led hub for other interventions like skills and enterprise development.
- An engagement needs to be held with government (and the Department of Trade, Industry and Competition [dtic] in particular) around the regulatory environment to shift some of the rules and regulations that limit progress. The Competition Commission's rules were also flagged as a challenge to collaboration efforts. Emphasis would need to be placed on how to shift regulations to foster collaboration, in this way establishing the foundation for a more focused use of the pool of funding that resides with the private sector, while leveraging it with other funding available.

In reflecting on the three inputs, participants raised the following observations and questions:

- Concern regarding the negative narrative relating to the coal sector that often plays out in relation to the transition. With an economy and livelihoods that have been built through coal and fossil-fuel industries, negative statements were noted as countering social cohesion efforts. A case was also made for the important role of coal and fossil fuel in the transition itself, with the need to use the current fossil fuel economy to transition in future (e.g. for energy security and for financing the transition). There is an acknowledgement of the climate change crises, but there is also a need to use the assets we have to mitigate the problem or to transition.
- A question in terms of who takes accountability for the ultimate development plan, e.g. whether it sits in small, medium and micro enterprise (SMME) integration or youth development. In addition, what is an area for individual accountability or collective accountability, and where does responsibility sit?[1]
- An observation that the PCC is focusing on how the transition rolls out within the mining sector with particular emphasis on restorative, procedural and distributive justice (focal points that Cabinet has also adopted). It was noted that restorative justice in particular is critical for communities in the mining sector, with this demanding a backwards look at the historical damages that mining has caused for the South African economy, ecology and social dynamics.
- The importance of ensuring that concessionary funding and other financing mechanisms are negotiated with all elements embedded within a complete package, including those that may be less financially attractive, such as the social aspects.
- How to take forward the principles of innovation and partnership that emerged from a range of the inputs, in both subsequent roundtable discussions and in the transition process itself.

1 These were noted as questions that could be tabled at a future roundtable session.

6. CLOSING REMARKS

Geeta Morar from the ACF thanked all the participants, acknowledging the robust nature of discussions and the need for more time to be dedicated within future roundtables to allow for greater engagement. She reminded all present that three more roundtables were scheduled to take place within the current series, with the final roundtable of the series to be held during the Mining Indaba.

7. SUMMARY AND WAY FORWARD

While a range of issues arose in the discussion, it might not be possible to prioritise all of them in the implementation. In addition, the following emerged as key themes across the course of the discussions, with each of these directly tied in to financing and sustainability considerations:

- **In terms of current and future skills**, the need to:
  - Unlock skills supply and demand alongside a mining sector JET, identifying skills needed for the mining sector for both the status quo and to meet future skills demands.
  - Develop a road map to meet future skills needs and the financing thereof.
  - Develop a robust map of available financial resources, reflecting funding availability and how to effectively channel the finances.

- **Community development**, including the need for:
  - Emphasis on developing SMMEs, community ownership structures and strong leadership capacity within communities, recognising the importance of this in fostering successful social partnerships and localised JET economies.
  - Regionalise localisation efforts already being undertaken by individual companies to maximise impact (e.g. through a regionalised demand-led hub), in this way supporting targeted regional economic development and diversification.
  - Ensure the process includes distributive, restorative and procedural justice, ensuring that communities are aware of and engaged in these issues and questions such as 'ownership' versus 'benefit'.

- **Regulatory and institutional blockages**, with recommendations highlighting the need for:
  - Understanding current initiatives and initiatives under way through CSR, SLP or CSI that can be leveraged to contribute to the JET IP.
  - Involving commercial funders in the process at an earlier stage, to support more rapid achievement of commercial bankability.

- Innovative approaches to institutional arrangements and stakeholder engagement, to fast-track investment and improve investment confidence (e.g. through establishment of pilot/demonstration sites to prove concepts and test ideas).
- Improved policy coherence and a focus on leveraging SLPs more effectively, with this requiring a policy discussion with the DMRE. This would also need a focus on shifting Competition Commission regulations to enable collaborative efforts, including among possible funding role-players.

Across all areas, the importance of a deep understanding of stakeholders and investors emerged as key, with South Africa's JET message needing to respond to a deeper understanding of the interests and concerns of potential local and international investors.

In terms of the way forward, it should be noted that a set of topics for future roundtable sessions have been identified, with these arising from discussions to date. These are reflected in Annexure A, and will form the foundation for subsequent JET roundtable series planning and programming.

ANNEXURE: UPCOMING ROUNDTABLE SESSIONS

Upcoming sessions that will form part of the current roundtable series include the following and the final topics and dates will be reviewed and finalised in due course:

1. POSITIONING SOUTH AFRICA AS A LEADING CRITICAL MINERALS DESTINATION

Proposed dates: End September 2023

Stakeholders: Government, mining companies, industry associations, academia and think tanks, pension funds, asset managers, industry associations, civil society, downstream companies (customers).

2. PARTNERSHIPS AS KEY ENABLER FOR A JET AND SHOWCASING WORK DONE AT COP28

Proposed dates: Early November 2023 (COP28 begins 30 November)

Stakeholders: Government, civil society, mining companies, industry associations, academia and think tanks, state-owned enterprises, South Africa Pavilion sponsors and partners.

3. CATALYSING MPUMALANGA JET ECONOMIC INTEGRATION INITIATIVES[2]

Proposed dates: February 2023 (Investing in African Mining Indaba)

Stakeholders: Government, DFIs, labour, civil society, development implementation agents, pension funds, mining companies, industry associations, academia and think tanks, state-owned enterprises, asset managers.

Invitations to the upcoming roundtable sessions will be sent in due course.

2 This roundtable will build on the outcomes of the Mpumalanga Economic Integration and Just Transition Alignment Workshop co-convened by the Mpumalanga Provincial Government, the PCC and the World Bank on 11–12 May 2023. The intention of the roundtable is to build on and support existing initiatives and prevent duplication.

AngloAmerican

sasol

PRESIDENTIAL CLIMATE COMMISSION
TOWARDS A JUST TRANSITION

THE AFRICAN CLIMATE FOUNDATION

MINERALS COUNCIL
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