

# UNPACKING THE ROLE AND TOOLS FOR LOCAL GOVERNMENTS IN COAL-AFFECTED REGIONS FOR A JUST TRANSITION

Just Urban Transitions Webinar Series:  
Webinar 5

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## Context

South Africa's just energy transition will create unique socio-technical policy challenges and opportunities for city and town-level local governance, and for local governments, in particular. Despite the significance of the local scale and local governance actors, national just transition plans and processes do not always line up with the issues and actions on the ground or at the local planning level.

The South African Local Government Association (SALGA) supports local governments in navigating local energy transitions. SALGA is undertaking a range of projects within the country's just transition. Aligned to this work, SALGA is collaborating with the WWF South Africa and the Just Urban Transitions Project<sup>1</sup> to host a series of webinars on practical and pressing issues currently facing municipalities. These webinars are conducted in partnership with other key organisations and actors,

<sup>1</sup> The Just Urban Transitions project, supported by Agora Energiewende, aims to surface challenges and advance knowledge in the just transition, unique to the urban



navigating and shaping possibilities for just transitions across South Africa's diverse local contexts.

This webinar You can access this webinar recording [here](#). Previous webinars can be accessed [here](#).

## Content Overview

As the primary location for coal value chains in South Africa, many local economies in Mpumalanga Province are dependent on the country's coal sector. As coal power stations are decommissioned, and associated value chains decline, these local economies, people, businesses and local governments face new risks that require urgent and coherent action.

The province and its communities have long carried the social-ecological externalities of the country's coal value chain, including ecological degradation (air and water quality) and health impacts. As the country's energy sector transitions and the plan for decarbonisation and decommissioning of coal power plants proceeds, the province is now also disproportionately exposed to transition risk, to the uncertainties and liabilities that arise from the decline of the coal value chain.

The impact across the different district municipalities in the province will be varied. 80% of the value chain is concentrated in two municipal districts, Nkangala and Gert Sibande. Within these districts, the particular issues affecting specific local municipalities also differ, impacted, for example, by the number of coal

scale, as well as to undertake engagement and research in support of collective learning and problem-solving

mines or the socio-economic profile of residents. This webinar focused on the risks and opportunities facing Steve Tshwete Municipality, considering the local government's existing and planned work, as well as the support required from national government departments and other actors.

### The case of Steve Tshwete Municipality

Steve Tshwete Local Municipality is one of the local municipalities within Nkangala District Municipality sustained by large steel companies and local coal mines, which supply Eskom Power Stations. The closure of Eskom's power station will have severe consequences for the municipality, impacting household income, as well as the ability to pay for services. Knock-on effects include pressures on municipal revenues and service delivery and a profound change in the context and resources available for local economic development planning.

The municipality is planning for these changes, thinking through opportunities for alternative service delivery, incorporating solar PV, energy storage and natural gas within their energy service, for example. These ideas are aligned with Eskom's plans for repurposing coal power stations (e.g. Komati). Opportunities for regional economic diversification are also being driven through the provincial level Green Cluster and supported by work by TIPS, Naledi, GIZ, WWF SA, ICLEI and others.

A clear theme that emerged from the discussion was the need to ensure that national efforts are adequately connected across scales to provincial, district and local conditions, plans and actions. Additionally, while some unique issues affect Steve Tshwete or other coal-dependent municipalities, some more general municipal challenges also apply. These include the needs to:

- Facilitate agreement on what is required for just energy transitions at the local level (integrated into plans and investments);



- Rethink municipal revenues;
- Understand what is required to enable new manufacturing opportunities and support job creation through municipal investments, where optimal;
- Undertake robust risk-sensitive planning.

## Q&A

During the webinar, several key questions were addressed. We have summarised a few of these issues here.

**Q: Given the importance of energy access to address poverty, what is needed to support the municipality to administer the free basic electricity allocation effectively?**

The issue of subsidised energy services is critical and addressed in [this webinar](#). Additionally, Steve Tshwete municipality made it clear that available local and national revenues allocated for free basic services did not meet the growing demand for said services.

**Q: Will Eskom's Socio-Economic Impact Assessment (SEIA) studies and findings regarding coal power station closure be made publicly available?**

Eskom has indicated that these studies will be released once related mitigation plans have been developed and after engagements with labour unions.

## Resources

***Sector Jobs Resilience Plan: Coal value chain***



The National Climate Change Response White Paper requires the development of Sector Jobs Resilience Plans (SJRPs). This plan, compiled by TIPS, focuses on coal for power and liquid fuels:

<https://static.pmg.org.za/181026SALGA.pdf>



### ***Making sense of jobs in South Africa's just energy transition: Managing the impact of a coal transition on employment***

Policy brief considering the reality of a coal transition and coal power decommissioning drawing nearer, in the absence of a clear just transition plan.

<https://www.tips.org.za/policy-briefs>

### ***Mpumalanga Green Economy Cluster***

Information on the Green Cluster and links to resources on the applied sector development approach:

<https://www.greencape.co.za/content/sector/mpumalanga-green-economy-cluster>

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For more information on this webinar series or to request or share information related to energy and climate change, please get in touch with Lauren Hermanus ([lauren@howweadapt.com](mailto:lauren@howweadapt.com)) or Silas Mulaudzi ([smulaudzi@salga.org.za](mailto:smulaudzi@salga.org.za)).