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Exploring a Low Carbon Future for South Africa with the Launch of the Just Transition Pathways Project

As we reflect on 2020, a key message that has been emphasised time and again is that in rebuilding our societies and economies post the COVID-19 pandemic, we must endeavour to build back better for long term economic competitiveness that reduces inequalities. There are numerous opportunities we must grab as the world transitions to a low carbon future.

An exciting development this year for the **National Business Initiative (NBI)** has been the launch of the Just Transition Pathways Project, which took place in August 2020. This project addresses the double imperative of sustainable economic growth while ensuring a just and equitable transition to a low carbon economy for South Africa.

Along with many countries, climate change directly threatens South Africa's prosperity. Impacts for the country include increased water scarcity, loss of arable land leading to food insecurity, increased coastal flooding, irreversible loss of ecosystems and biodiversity as well as increased socio-economic inequality.

To mitigate the worst effects of climate change, Governments need to make significant investments to meet emissions reduction targets under the Paris Agreement. There is also strong public support for making climate actions visible. Internationally, many leaders have made green projects central to their COVID-19 recovery response.

The Case for a Just Transition

Unlike many countries, South Africa's economic case for implementing carbon neutrality, or even a 2°C mitigation path, is negative. In addition, the country entered the COVID-19 crisis in recession with severe debt, widespread unemployment and low growth. While the short-term recovery focus is certainly on saving lives, the medium to long-term necessity is saving both livelihoods and the economy.

Achieving a Just Transition will avoid exacerbating inequality while building social cohesion. In order to meet the 2°C temperature increase goal, South Africa will need to cut its emissions by ~60-75% by 2050. Approximately \$700 billion in investment will be required to achieve the outlined 2°C scenario.

Based on the physical and climate risk, what would be considered an appropriate level of ambition to reduce GHG emissions by 2050? This question needs to take into account the fact that South Africa's economic vulnerability and tenuous political environment means stakeholder engagement is critical.

Outline of the Just Transition Pathways Project

In order to understand what a Just Transition means in reality, the NBI, together with Business Unity South Africa (BUSA) and the Boston Consulting Group (BCG), have embarked on the Just Transitions Pathway Project. The concept behind the work is to build on existing knowledge, data and best practice to explore what a Just Transition could look like for South Africa.

The project is also a collaborative study to accelerate Green Stimulus while creating a unified voice for South African business at COP26, to be held in Glasgow during November 2021. The first phase of the project will generate a high-level pathways blueprint, including detailed design of these pathways.

To ensure representative, balanced and fact-based content, a comprehensive governance structure has been built into the overall project design. Three of the key objectives of this project structure include enabling multi-stakeholder inputs, creating a platform for collaboration and ensuring the final output is fact-based.

The NBI, BUSA and BCG Just Transition Pathways Project is made possible through the UK Department of Business, Energy & Industrial Strategy (BEIS), We Mean Business and The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

Business leadership is key to a successful transition: one that is just and equitable, driving economic growth and competitiveness with tangible social benefits. Business-led engagements with Government and civil society on transition issues for key sectors present a real opportunity for a strong business leadership voice in guiding this transition both in response to climate change and other global trends.

The Just Transition Pathways Project can unlock and channel both local as well as international support to high-need and impact areas while mobilising co-ordinated cross-industry collaboration.

For more information on the Just Transition Pathways Project, please contact Steve Nicholls: SteveN@nbi.org.za



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The National Business Initiative (NBI) is an independent and voluntary coalition of South African and multinational businesses launched in 1995 by the then President, Nelson Mandela.

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