



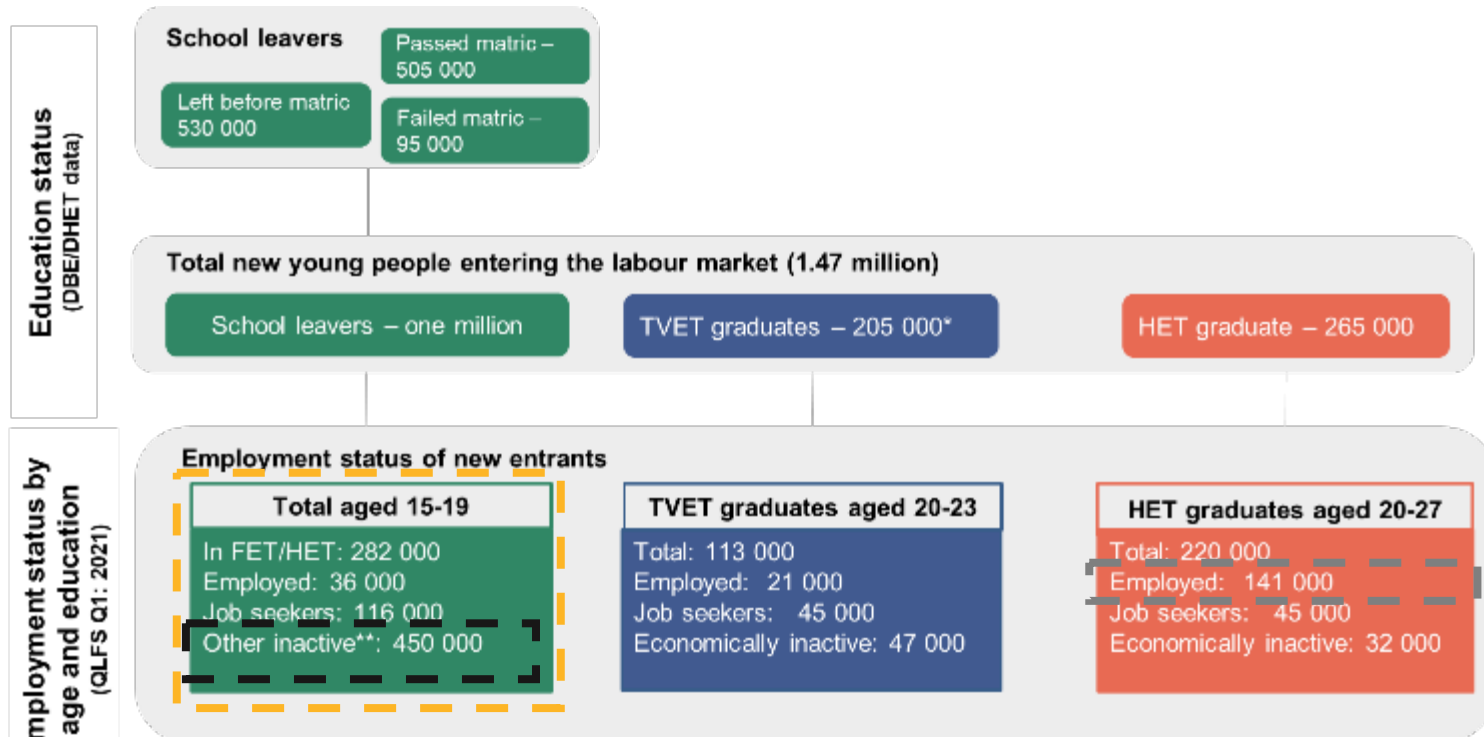
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The role of skills in industrial development and in achieving a just transition

11 May 2023

Too many young people are not transitioning from learning to earning!



* DHET counts N3, N6 and NC(V); QLFS data only for post secondary ** Not in education or employment

Every year about 1 million young people leave school in South Africa – of these approximately **28% enter post-schooling education**, another **15% find work or remain active in the labour market**, whilst the **remaining 57% sit outside the labour market**.

There remains a **strong relationship between the levels of education that young people have and the opportunities that they can access**.

Many young people are no longer actively searching for opportunities and this number is highest among those with the lowest levels of educational attainment.

Skills workstreams in PYEI priority growth areas



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Advanced implementation

Digital skills
and
technology

Early stage implementation

Automotive

Early stage implementation

Agriculture

Planning phase

Social
services
(incl. ECD)

Early stage implementation

Infrastructure
: Installation,
repairs and
maintenance

JET Investment Plan

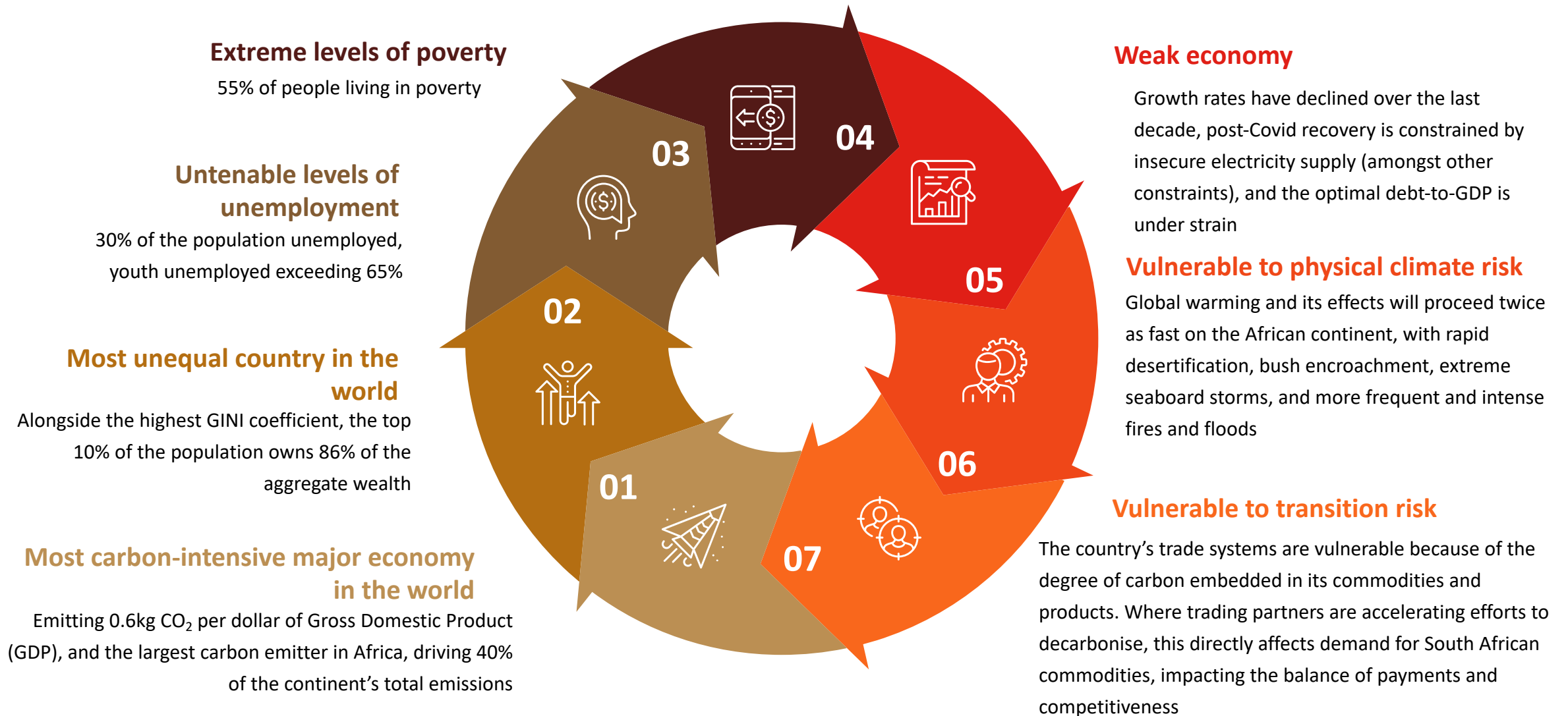
Just Energy
Transition

Purpose of the workstreams is to implement demand-led skilling, fill emerging skills gaps and enable individuals to access earning opportunities and workers to retain employment.

Opportunity for a new growth path that addresses climate challenges in the context of SA's socioeconomic situation



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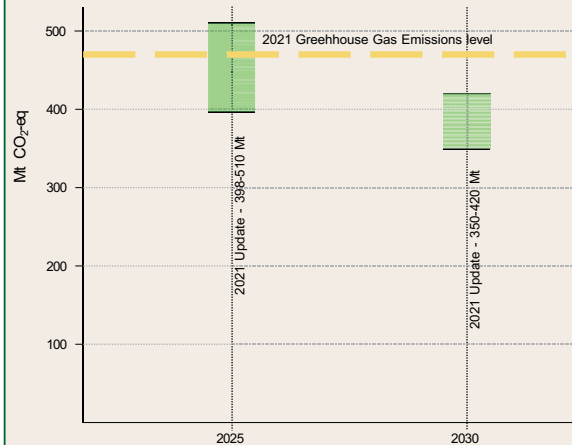




Building a pathway towards a low carbon and climate resilient society

To decarbonise the economy to within the target range by 2030

350-420 Mt CO₂ eq



requires initial funding of

**~ ZAR 1.5 trillion
over five years 2023-2027**

from multiple sources

- Developed countries
- Private sector investors
- Development Finance Institutions
- Government
- Philanthropies
- Multilateral Development Banks

in three priority sectors



Electricity



New Energy Vehicles



Green Hydrogen

and two cross-cutting areas



Skills development



Municipalities

The Just Transition demands actions from each sector



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Without active intervention, coal-dependent and other regions will suffer significant social and economic impacts as South Africa responds to national and international shifts away from fossil fuels and carbon-intensive products

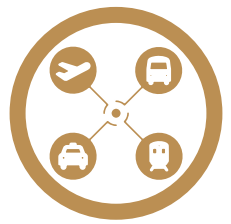


Electricity

- Energy poverty/ affordable access/ safety nets
- Localised impact in Mpumalanga: community and worker support
- Municipal models and readiness
- Smart infrastructure planning
- Reskilling for SAREM

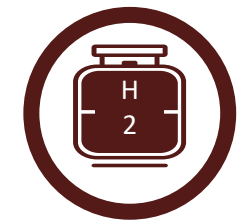


Research and emerging consultations show that benefits of establishing linkages to a range of value chains underpinning the low-carbon energy system and the impending challenges of the automotive and transport sectors



Transport

- Economic growth and investment
- Green sustainable manufacturing
- Enhanced public transport
- Job protection and reskilling



Hydrogen

- Build out low carbon opportunities
- Skills development and localisation
- Port development and upgrading



Hydrogen is critical for enabling post 2030 reductions

Key investments for a just transition: The IP plans to Phase investments across priority areas to enable a just transition



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Repurposing mines and plant



- **Repurposing of coal mines**, including social investment to support local communities and supply chains
- **Repurposing coal mining land** to ensure repurposing of land for new use, making the region more attractive for new economic activity

Economic Diversification



- **Expand infrastructure** to ensure that the foundation is in place to build new businesses, attract talent and enable new investment
- **Support local livelihoods** opportunities in surrounding communities through SMME development and through targeted employment initiatives
- **Diversify local economies** through investment in new sectors and support for incubators, accelerators, and early-stage ventures

Workers and Communities



- **Caring for the coal workforce** to manage the direct and indirect workforce transition through redeployment, re-skilling, re-training, relocation support, and temporary income support
- **Investing in future generations** to reduce youth unemployment in coal mining communities through education, soft skills training, and opportunities for work experience

Enabling Conditions

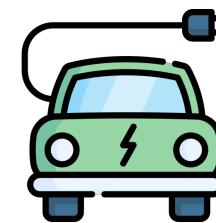
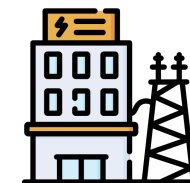


- **Plan for success** by assessing coal power plant and related mine closures, including details of available financial provisions, social plans and labour plans
- **Policies for post-mining redevelopment** to enable policy alignment and ensure financing for responsible mine closures/rehabilitation
- **Monitoring for impact:** establish necessary mechanisms, coordinate stakeholders, host Just Transition forums to raise awareness and support a several projects aimed at mobilizing stakeholders around the JET agenda

Dimensions of skills development that are crucial to justice within the JET



- 1 Reskilling and upskilling:** Focussed on existing adult workers so that they are better equipped to navigate the transition - involves skills analysis to identify demand, putting in place substantive short- and longer-term training programmes amongst others
- 2 Aligning the skills development system with the anticipated labour force needs of the future:** This is particularly focused on green jobs to support a just transition - anticipatory skills and labour market intelligence
- 3 Ensuring foundational skills throughout the education system:** This is required to improve the adaptative capacity of the broader workforce - this involves curriculum transformation, and teacher capacity development in the schooling, and post-schooling system (**especially also Technical and Vocational Education and Training (TVET) educators competences**)
- 4 Addressing gender, inequality, and social exclusion:** This is required in both the provision of opportunities for women in education and training opportunities and accessing employment



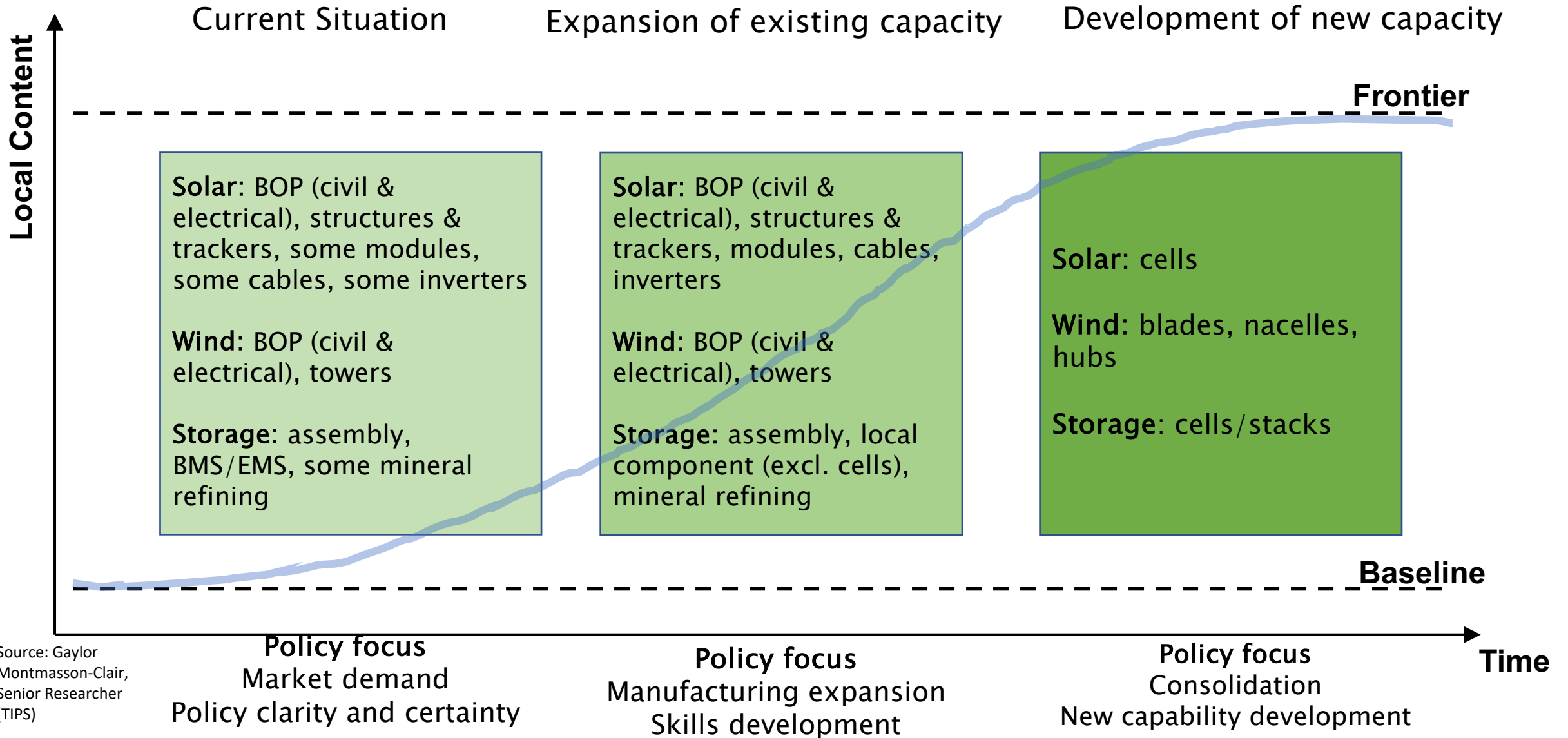
JET IP Focus areas for the period 2023-2027



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Focus Area	Leads	Key stakeholders
<p>Enable collaborative planning through a dedicated Skills hub/platform for JT and the Future of Work, focused on the coal, renewable energy, GH₂, existing vehicle, and NEV value chains to map South Africa's skills supply in relation to current and future demand.</p>	<p>DHET and DSI</p>	<p>DTIC, Industry, SETAs, Academia, Labour, Civil Society organisations, Presidency</p>
<p>Establish, optimise, and scale Skills Development Zones/ Centres of Specialisation for greater alignment of skills supply and workplace demand, creating pathways for work integrated learning and new livelihood skills located in Mpumalanga (coal); Gauteng and Northern Cape (GH₂), and Eastern Cape (vehicles)</p>	<p>DHET and SETAs</p>	<p>DSI, DTIC, Industry, TVET management</p>
<p>Using skills intelligence and localised SDZs to leverage and strategically allocate available PSET funding to support a just energy transition.</p>	<p>DHET and SETAs</p>	<p>DTIC, DSI, Industry, Universities and TVET management</p>

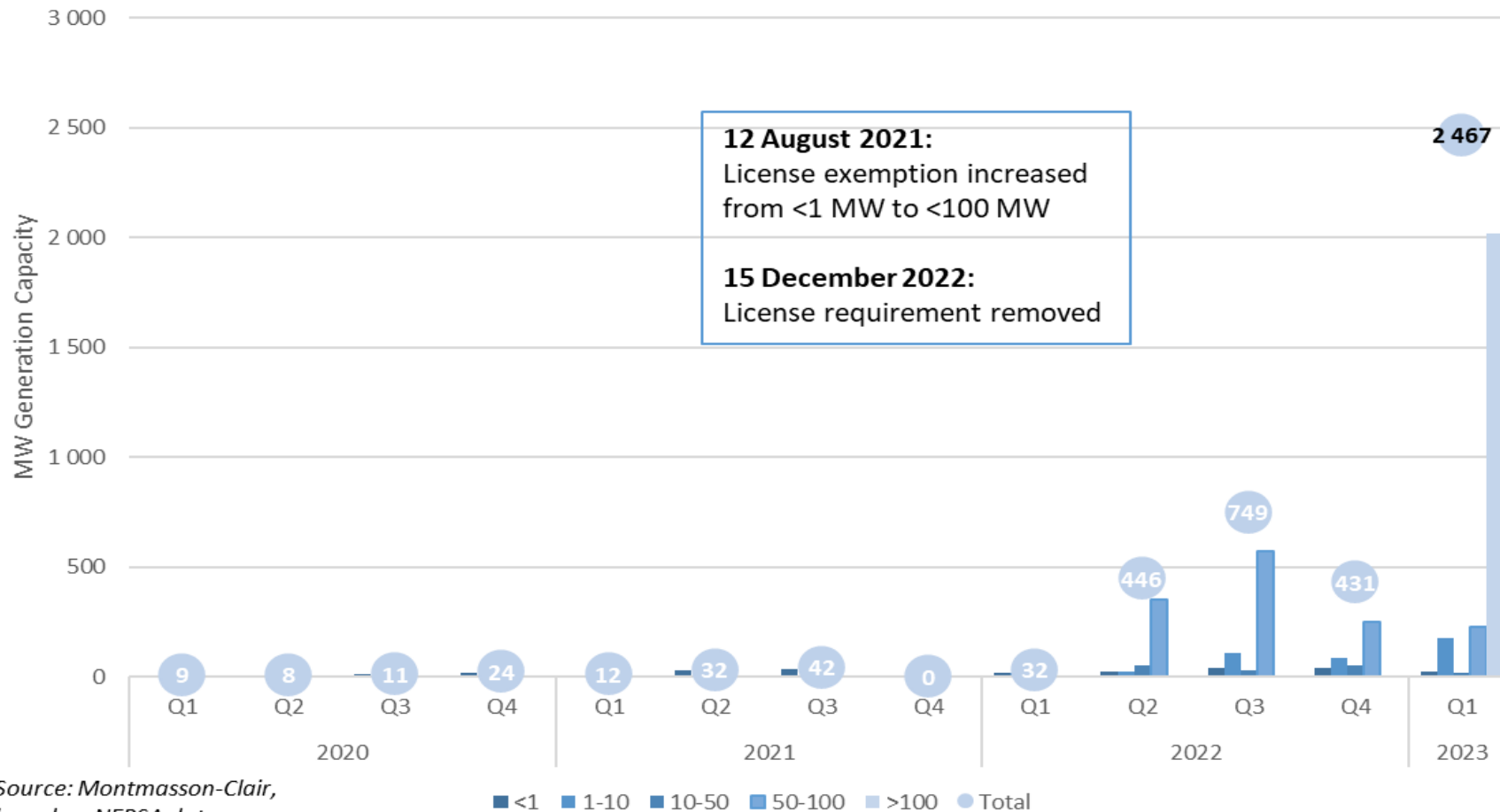
Ramping up local Manufacturing Capacity



Source: Gaylor
Montmasson-Clair,
Senior Researcher
(TIPS)

Opportunities for Growth: Exponential increase of private investment in generation projects

Power generation capacity registered with NERSA under licensing exemption conditions



Source: Montmasson-Clair, based on NERSA data

± 2500 MW of new generation projects have registered with NERSA in the first three months of 2023.

This includes 1100 MW registered in Jan-Feb, and more than 1300 MW registered in March alone.

Projects registered with NERSA have completed all other approvals and are expected to proceed to financial close and construction.

Source: Trade and Industrial Policy Strategies (TIPS) from NERSA data, 2023.

Just Energy Transition: Critical Next Steps



1

Important to start identifying the skills required and build a skills development **roadmap** as it can take between five and 10 years to 'ready' the skills system for new value chains and competences

2

Cross-cutting nature of skills interventions for the JET, means we must establish **strong co-ordination and planning** mechanisms

3

Unpack **skills in extended and connected value chains**, including the coal, renewable energy and the GH2 value chains including the value chains associated with vehicles, and interlinked value chains such as platinum mining and manufacture

4

Skills identification, anticipation, planning, and implementation for JET requires both **national level strategic support and local level alignment**

5

Complexity, extended value chains and the need to work across the education and training ecosystem requires that many **departments within government and many stakeholders in civil society, business and labour will need to work together** to plan for and implement skills for a just transition



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THANK YOU

