

## U.S. DEPARTMENT OF THE TREASURY

# Remarks by Secretary of the Treasury Janet L. Yellen at Lunch with Local and International Philanthropies on South Africa's Just Energy Transition Partnership (JETP)

January 27, 2023

### *As Prepared for Delivery*

I want to start by thanking you and your organizations for being here today and for demonstrating your commitment to South Africa's just energy transition toward renewable sources.

An energy transition that is not just will simply not work. Equally important, however, is the imperative to seize the new opportunities that the transition will offer, keeping a worker-centered perspective in mind at all stages.

Indeed, I think we all see both the tremendous need and opportunity for reform of the energy sector in a way that lifts up impacted communities and strengthens sustainable economic growth. That is, in large part, why we joined international partners in creating the Just Energy Transition Partnership or JETP with South Africa.

The United States is firmly committed to this engagement. We have pledged to mobilize over \$1 billion from across our government over the next three to five years to achieve the just energy transition priorities that the South Africans identified in their JETP Investment Plan.

South Africa's Just Energy Transition Investment Plan is the result of a year's work. It identifies some \$98 billion in necessary investments in clean energy and programming to support the "just" transition over the long term, as well as investment in green hydrogen infrastructure and electric vehicle manufacturing.

It is the "just" element of the transition that I want to focus on today, and where we want to collaborate with you closely. The success of the JETP will not be possible unless we support the coalminers and coal mining communities as they transition to new economic activities.

Our South African partners have identified "just" investments of over 60 billion rand, or about

\$3.5 billion, for the Mpumalanga [*em-POO-mah-lahng-uh*] Region, which is where I was this morning touring a US-funded renewable energy job training facility for women.

These investments cover a range of activities, including funding to support local communities and develop supply chains for new energy technologies; remediating and repurposing coal mining land; improving non-energy infrastructure; and partnering with the coal workforce through job reskilling, mobility payments, and temporary income support for displaced workers.

Indeed, we must demonstrate quickly that these coal communities, which are already struggling with unemployment, poverty and the health impacts of coal mining and emissions, will not be left behind in the context of an energy shift that benefits other regions. South Africa will need to see concrete action soon to keep up momentum on the JETP.

In recognition of this importance, President Biden went beyond our initial JETP commitment to pledge an additional \$45 million focused specifically on the “just” element of the transition. As the Investment Plan lays out though, much more will be needed.

At COP27, many of the organizations represented here today pledged to invest \$500 million in low- and middle-income countries with ambitious energy transition plans. South Africa fits that bill perfectly and many of you have long histories investing in these very communities we hope to support alongside you.

We would like to understand how you are thinking about extending support in the context of the ambitious JETP here in South Africa, where the transition is already at hand and the needs are urgent. I’ll start by asking: how can we work together to achieve the greatest impact for the people of South Africa?

Thank you and I’m looking forward to hearing your perspectives.

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