



# JET-Ps: climate finance that greens the economy


**GEAPP is linking up learnings and strengthening collaboration globally to help realise the full potential of the JET-P finance initiative.**

As part of GEAPP's mission to accelerate equitable energy transitions, we have established strong relationships and programmes in three Just Energy Transition Partnership (JET-P)<sup>1</sup> markets: South Africa, Indonesia and Vietnam. Three countries with good energy access but with electricity systems which run on coal.

The JET-Ps are climate financing interventions designed to accelerate the move to clean energy. They show the position GEAPP has carved out as a trusted partner - to each country's government, to the International Partners' Group (IPG), and to the set of multilateral supporters, which underpin the schemes. GEAPP acts as a connector and facilitator, working to improve both the effectiveness of the existing JET-Ps and speed up future new funding.

Climate finance has often been the promise that doesn't deliver, creating scepticism among recipient countries and making it critical that these JET-P financing packages are successful and money flows. Right now, however, a lot remains just a commitment.

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By diving into South Africa's JET-P, we can trace GEAPP's contribution to these multi-country schemes.

South Africa was the inaugural recipient of the JET-P at COP26; an \$8.5 billion funding package announced by five donor countries - US, UK, France, Germany and the EU. In April 2022, GEAPP approached the South African government with an offer to help implement the actions required to access JET-P financing. The offer was accepted, reflecting the importance of GEAPP's trusted relationships and alignment to country priorities. GEAPP mobilised quickly, helping build human capacity across multiple required parts of the South African government. The focus of this coordination was to help the South Africans prepare their Investment Plan, which outlines the use of funds and is a pre-cursor to the release of the funding package. In South Africa, use of funds includes projects to grow the renewable energy sector, decommission coal, strengthen the transmission network, create new jobs and reskill old ones.

Rooted in its philanthropic founding, GEAPP lays significant focus on the 'Just' part of the JET-P formula. In South Africa, GEAPP has, for example, funded and supported the Presidential Climate Commission (PCC), a 'big tent' coalition of partners including private sector, government, communities and labour. The PCC helps articulate why an energy transition is important to different stakeholders and society. It tackles societal concerns and champions equality to ensure the transition is truly inclusive and seeks to avoid some losing out. South Africa has crucial experience in this type of collective dialogue given its background with similar commissions. The benefits of the PCC model have led GEAPP to recommend a similar approach in Vietnam and Indonesia, tailored to their own needs.

With the PCC, the GEAPP team has led a major focus on creating jobs through the transition, which we seek to replicate in all GEAPP's countries of operation. South Africa has extremely high unemployment. If the energy transition fails to create net new jobs, the political will to support it will understandably weaken. GEAPP has funded, with the PCC, an analysis of job creation opportunities in a greener economy. These include retraining workers displaced from coal, as well as opening up additional new jobs in renewable energy industries and in other future growth sectors of the economy.

South Africa is a lab where GEAPP is testing its most impactful role globally in support of job creation and the reskilling of displaced communities. For example in Mpumalanga (Komati), east of Johannesburg, where a coal plant operating since 1961 was closed last year, GEAPP is funding the set-up of a facility to retrain coal workers with the expertise needed to run the new renewable energy plant being co-located there. This is highly localised community work, which can be scaled up across other parts of affected South Africa, generating national impact and reach.

As with so much GEAPP does, the goal is rapid replicability. Our work in South Africa is achieving this in many ways including facilitating networking, knowledge sharing and learnings between JET-P countries; providing counsel to both JET-P and the IPG governments; and supporting coordination amongst multilateral donors, implementers and investors. Following several months of close collaboration with the South African government, the Indonesia government requested GEAPP's similar support with its own JET-P<sup>2</sup> implementation and preparation for its funding package. GEAPP set up learning sessions with South Africa and Indonesia, expanding in February 2023 when the Government of Vietnam officially announced its partnership with GEAPP on its own JET-P.

Our simultaneous JET-P work in these three countries is an example of GEAPP's ability to be a global and trusted partner to many; allowing us to systematise our support to government, to accelerate shared learnings, and deepen the impact of our activities.

<sup>1</sup> JET-Ps is the name for the package of developed country financing that was launched at Glasgow COP for South Africa. A version has now been applied to Indonesia, Vietnam and Senegal. The Just Energy Transition Partnership (JET-P) refers to this funding; the group of funders is the International Partners' Group (IPG).

<sup>2</sup> The new JET-Ps involve different partners. For example, the IPG for South Africa's JET-P was coordinated by the UK, while negotiations with Indonesia were led by the US and Japan. Indonesia is also attracting financial support from Japan, Denmark, Norway and New Zealand, which were not involved in South Africa.

