

# Skills development for a Just Transition

Promoting young South Africans' employment prospects in a sustainable and increasingly decarbonised economy

## The challenges

South Africa confronts two pressing challenges: On the one hand, it grapples with one of the highest rates of youth unemployment worldwide. This disproportionately affects women, exacerbating social inequalities. Disturbingly, in the third quarter of 2023, 42% of youth from the age of 15 to 34 were unemployed, reflecting the urgent need for strategic interventions. On the other hand, South Africa is transitioning from a predominantly coal-based energy supply to a low-carbon economy. This transformation is poised to reshape not only the technological landscape but also the employment and skills requirements within the labour market. The implications are profound making innovative approaches to navigate this dual crisis effectively necessary.

Amidst these challenges, the emerging green economy is also a pivotal enabler for addressing youth unemployment. It has a crucial role in South Africa's Economic Recovery and Reconstruction Plan (ERRP), serving as a catalyst for employment creation and income generation. To facilitate the transition towards a low-carbon and inclusive economy, the country has established the Presidential Climate Commission (PCC).

In 2021 South Africa joined the first international Just Energy Transition Partnership (JETP) with Germany, France, the UK, the US, and the EU which aims to support a Just Transition to a low-carbon economy. To strengthen the just and the inclusiveness of the transition, skills development and employment promotion play a significant role. Therefore, it is imperative to:

- Enhance TVET effectiveness in matching skills to JET,
- Prioritise disadvantaged and affected groups,
- Apply a holistic approach for sustainable employment.



Project name	Career Path Development for Employment (CPD4E)
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## Our approach

The CPD4E project follows a holistic concept, using the integrated approach to employment promotion. The multi-dimensional approach focuses on the supply and demand sides of the labour market, active labour market policies as well as framework conditions. The approach combines elements of technical vocational education and training (TVET) and private sector development. A particular focus is set on the challenges for new entrants to the labour market. The aim is to achieve positive long-term employment and income effects by coordinating four intervention areas:

- Supporting conducive framework conditions by policy advice through the JETP as well as enhancing South African officials' capacities to support new approaches for skills development and employment. Furthermore, the project is developing and testing innovative approaches to support the role of the TVET-system for JET.



Left: Two Solar experts discussing methods of installation for Solar PV in Kimberley Droogfontein.

Right: Small enterprise supported at the Atlantis Special Economic Zone.



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*Left: Small business owner on a construction site at the Atlantis Hub in the Western Cape.*

*Right: Facilitator explains to lecturers how to set up Solar PV using a demo kit.*

- Promoting the supply side in the job market by developing needs-oriented vocational training and lecturer development for JET relevant sectors.
- Supporting the demand side to enable start-up entrepreneurs and Small, Medium and Micro-sized Enterprises (SMME) to create jobs in low-carbon economic sectors.
- Expanding the available support services to include gender-sensitive approaches to support young women to enter the job market and earn a livelihood.

## Results in figures

In the first year, 400 South African youth, 63% being female, have enhanced their employability through mentorship and work readiness training. Among them, 276 are enrolled in the Installation, Repair and Maintenance (IRM) training program, boosting their employment prospects.

9 SMME programs have been established to support and enhance the potential of businesses in JET. One of them will support 500 SMMEs in the Mpumalanga region which will be most affected by the structural change.

So far, 145 TVET college lecturers, 38% being female, have been capacitated in green technologies such as Renewable Energies.

## Examples in the field

**Installation, Repair and Maintenance (IRM) Initiative:** One example of the integrated approach to employment promotion in practice is the cooperation with the National Business Initiative (NBI). It seeks to create local conditions that are favourable to unlocking inclusive demand for skilled labour within entrepreneurial SMMEs in township economies, with a particular focus on the opportunities in the transition to the green economy. The initiative combines enterprise support and capacitating TVET colleges, transforming them towards effective entrepreneurial learning environments and providing demand-led dual vocational skills programmes as well as matching of learners and employers. At the moment, seven enterprise hubs are being established in Gauteng, Mpumalanga, KwaZuluNatal and Western Cape in cooperation with the German financial cooperation (KfW).

**Up-skilling and reskilling project:** The aim of the intervention in collaboration with the International Labour Organization (ILO) is to develop and implement skills-programs for population groups that will be adversely affected by the significant structural change. Through labour market analysis, forecasting, research and social dialogue in communities tailor-made re- and up-skilling programs will be developed and implemented.

**Skills development in the coal region:** 100 unemployed young female electricians in Mpumalanga are being up-skilled in renewable energy technologies and entrepreneurship in collaboration with the United Nations Development Programme (UNDP). Through mentored work placements, the learners acquire skills in high demand in the labour market.

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