
TERMS OF REFERENCE (TOR) FOR IN-DEPTH STUDY OF TRENDS IN THE COAL VALUE CHAIN AND THE JUST TRANSITION IN SOUTH AFRICA

1. INTRODUCTION

South Africa is undergoing a significant transition in the energy sector, with increased emphasis on reducing its carbon footprint and moving towards cleaner energy sources. This transition, while necessary for the environment and long-term sustainability, presents various social, economic, and environmental challenges, particularly for communities and workers dependent on the coal industry. The coal value chain—ranging from mining to electricity generation and more—has historically been central to South Africa’s energy sector and economy. However, the push for decarbonisation necessitates a detailed understanding of its current trends, associated impacts, and policies related to a just transition for affected stakeholders.

The aim of this project is to provide an in-depth understanding of the coal value chain in South Africa, including both current and future challenges, and to assess the implications of a Just Transition. This will involve examining policies, corporate plans, community impacts, and the broader socio-economic implications of coal sector shifts.

2. PURPOSE

The problem being addressed is the socio-economic and environmental challenges resulting from the transition away from coal-based energy in South Africa. This affects coal-dependent workers, communities, and industries, particularly in regions like Mpumalanga. The shift towards renewable energy, while necessary for long-term sustainability and reducing the carbon footprint, threatens livelihoods, local economies, and social stability.

This research will help solve the problem by providing a detailed understanding of the coal value chain and the impacts of the just transition on stakeholders. It will identify gaps in current research and policies, propose actionable solutions for mitigating the negative effects, and suggest strategies to support affected workers and communities, ensuring that the transition is fair, equitable, and inclusive.

3. BACKGROUND AND PROBLEM STATEMENT

South Africa's coal sector has been a cornerstone of its energy production and economic growth. However, the country's energy strategy is increasingly aligning with global efforts to combat climate change, which includes reducing dependence on coal and moving towards renewable energy sources. This shift poses significant risks to workers, communities, and other stakeholders dependent on coal, especially in areas like Mpumalanga where large-scale coal mining and power generation operations are concentrated.

There is, however, sparse data on the full scope of the socio-economic and environmental impacts of these transitions, particularly regarding workers, unions, and communities. National policies (such as the Climate Change Act, the Presidential Climate Commission's recommendations, and various Master Plans) have been developed, but a more comprehensive and integrated understanding of how these policies intersect with the coal sector, and their practical implications for stakeholders, is needed.

The impacts depend on the timeframe of the transition, whether it will generate new opportunities directly or by accelerating economic growth through cheaper energy sources, and whether existing government policies are equipped to mitigate the impacts of downsizing carbon-intensive industries.

4. SCOPE OF WORK

The study will cover the following key components:

- **Coal Value Chain Definition:**
Define the full coal value chain in South Africa, including actors involved from mining, transportation, and processing to electricity generation and export. Identify key stakeholders such as mining companies, power utilities, and trade unions.
- **National Legislation and Policies Review:**
Review and assess existing national legislation and policies (e.g., Presidential Climate Commission, Climate Change Act, Master Plans) as they relate to the coal value chain and the transition towards renewable energy.
- **Corporate Plans and Policies:**
Assess the existing plans, policies, and strategies of major companies in the coal sector, focusing on their approach to a Just Transition, including efforts to decarbonise, retrain workers, or support affected communities.

- **Research and Literature Review:**
Conduct a desktop study to review current academic and industry research regarding the transition in the coal value chain internationally, with an emphasis on its socio-economic, environmental, and labour implications.
- **Union Perspectives and Interviews:**
Conduct interviews with unions organizing within the coal sector to understand their perspectives on the transition, including their concerns, demands, and ongoing strategies.
- **Community Impact Assessment:**
Assess the impact of coal sector transitions on local communities, particularly in regions like Mpumalanga, and investigate potential policy responses. This could include interviews with community members, local authorities, and stakeholders.
- **Engagement with Targeted Companies:**
Conduct interviews or consultations with major companies in the coal sector to gather insights into their plans for the just transition and the challenges they face.
- **Proposals for a Just Transition:**
Define the term Just Transition, including existing definitions and one most agreeable to the concept of “justice” in the South African context. Develop and provide implications and proposals to maximize a Just Transition, focusing on policy recommendations for workers, communities, and employers.
- **Collective Bargaining Proposals:**
Propose collective bargaining strategies and recommendations for trade unions to advocate for workers in the coal value chain.
- **Information and knowledge sharing:**
Communicate issues to workers through accessible written/digital material, and through educational work with unions and possibly affected communities to enable them to engage directly or to mandate their representatives effectively by helping to understand the nature and extent of impacts, and their timelines; and realistic options in response, since it is not possible simply to block change.

5. METHODOLOGY

5.1. Evidence to support the research questions

- The current dependence of communities and workers on the coal sector.
- The political economy of the Minerals-Energy-Complex.

- The socio-economic impacts (e.g., job losses, unemployment rates, income disparities) of transitioning away from coal.
- Environmental and policy frameworks influencing the coal industry and the Just Transition.
- Stakeholder perspectives, particularly from coal companies, unions, and local communities, about the transition's impact.
- Comparative case studies of similar transitions in other countries (e.g., coal transition in Germany or the U.K.).

5.2. Additional data to support the research

- Theoretical analysis of Just Transition frameworks.
- International case studies (limited) from countries that have undergone or are undergoing a similar transition (e.g., Germany's coal phase-out, the U.K.'s coal transition).
- Analysis of existing policy decisions, such as the Climate Change Act, Presidential Climate Commission recommendations, and Master Plans related to the coal sector.
- Historical analysis of energy transitions and their impact on workers and communities.

5.3. Type of data

Evidence will be gathered using the following methods:

- **In-depth Interviews:** One-on-one interviews with coal miners, union representatives, community leaders, and local government officials.
- **Secondary Sources:** Reviewing academic research, industry reports, government policies, and legislation related to the coal sector and energy transition.
- **Interviews:** Conducting semi-structured interviews with key stakeholders, including from coal companies, unions, government agencies, and affected community members.

5.4 Data Analysis

Analysing socio-economic data (e.g., employment rates, income levels, regional GDP) to assess the economic impact of coal dependency and the transition.

6. DELIVERABLES

The final deliverables for this project include:

- **Interim Progress Reports:** Regular updates on the status of the study, including any initial findings or key insights.
- **Research Report:** A comprehensive report detailing the findings of the study, including an analysis of the coal value chain, policy assessment, community impacts, and recommendations for a Just Transition.
- **Executive Summary:** A succinct summary of the report targeted towards stakeholders in the coal sector, unions, and affected communities, written in accessible language.
- **Policy Recommendations:** A set of actionable policy recommendations for government, businesses, and unions to ensure an equitable transition for coal mine workers and communities, affected by the coal value chain.
- **Collective Bargaining Framework:** A proposed framework for unions to use in negotiating better terms for workers during the transition, with an emphasis on social protections, retraining, and job creation in renewable sectors.

7. SUBMISSION OF THE FINAL REPORT

The final report should constitute:

- The final report with notes of the methodology used
- Executive summary in Word
- PowerPoint presentation of the report
- Final PDF report and policy brief

8. IN UNDERSTANDING THE PROJECT AIMS AND METHODOLOGY

The project's aim is to bridge the gap between policy and practice in the transition to renewable energy by ensuring that vulnerable communities and workers are not left behind. The methodology is designed to provide a comprehensive understanding of the coal value chain, its socio-economic impacts, and actionable recommendations for a Just Transition.

9. PROPOSED RESEARCH REPORT

The research approach will be both qualitative and quantitative, incorporating literature reviews, policy analysis, fieldwork, interviews, and stakeholder engagement to produce a comprehensive, evidence-based report.

10. REQUIREMENTS OF SUCCESSFUL TENDERER

The successful tenderer must:

- Have a proven track record in research on energy policy, labour relations, and socio-economic development, particularly in the context of South Africa's coal sector.
- Demonstrate experience in conducting field research, including interviews and stakeholder engagement with unions, communities, and companies.
- Show familiarity with national and international frameworks for the Just Transition and climate justice.
- Have a strong understanding of South Africa's energy policies, climate change frameworks, and the coal industry's role in the country's economy.
- Be able to produce clear, concise, and accessible reports that communicate complex issues to a wide audience, including workers and communities.

11. PROJECT GOVERNANCE

The Service Provider will report to the Just Transition Labour Centre Manager.

12. TIMELINE

The project will be expected to commence in April 2025, following contract award and to take approximately 4–6 months from inception to completion.

13. INSTRUCTIONS TO TENDERERS

Tenderers are invited to submit proposals that should include the following:

- A brief company profile, including relevant experience.
- A detailed project plan, including a breakdown of tasks and proposed timeline.
- A team composition with qualifications and experience of key personnel.
- A budget breakdown detailing costs associated with research, fieldwork, consultations, and report writing.

- Sample reports or publications demonstrating the tenderer's capacity to conduct similar studies.
- Any additional relevant information or value-added services.

Tenderers must submit their proposals by 14 April 2025. All proposals should be sent to jobs@tips.org.za.