

Sustainable Transformations in Coal Regions of the Global South: Challenges from a Resource Nexus Perspective (NEXtra Core)

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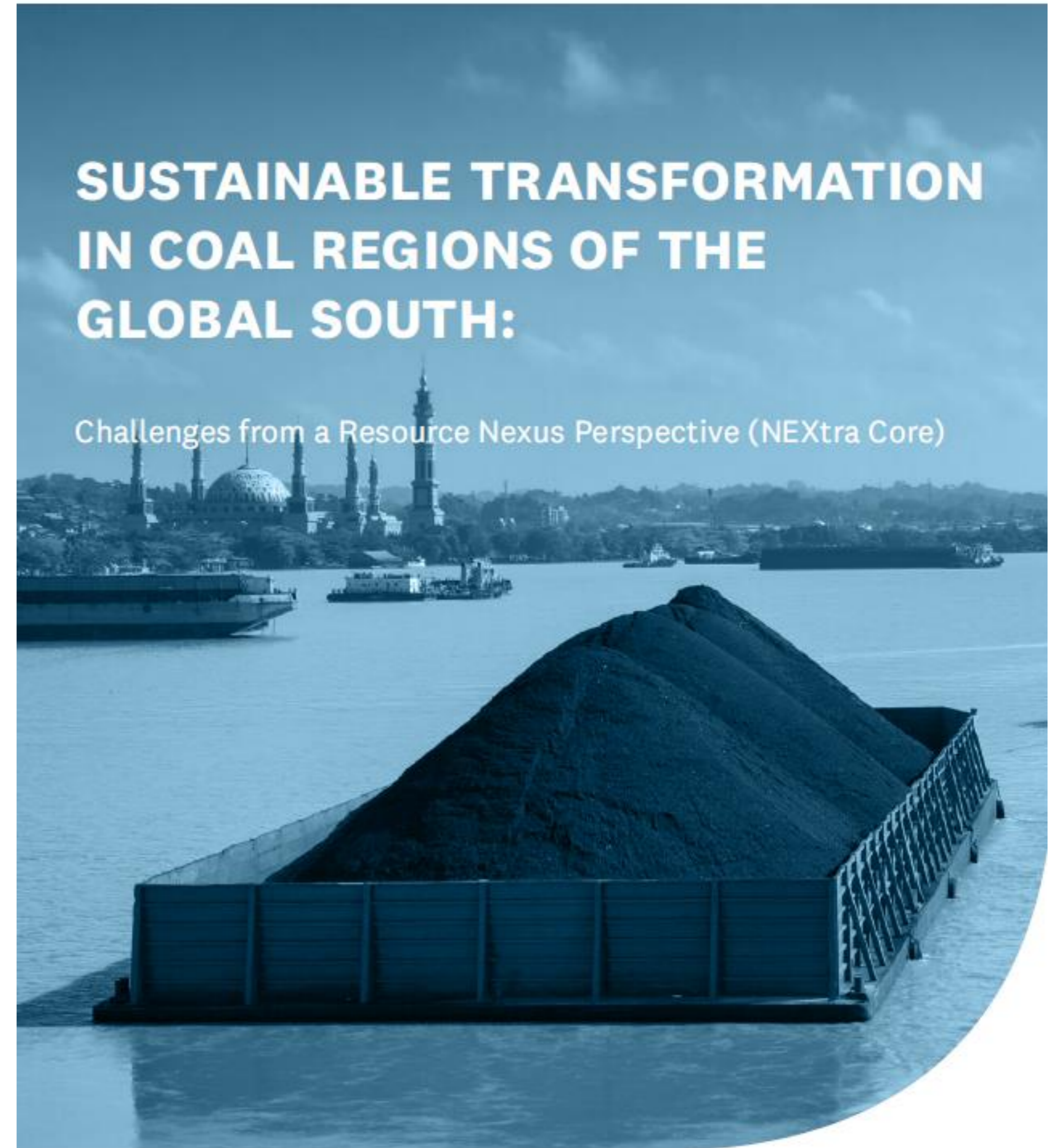
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NEXtra Core scoping study

Analyzing the environmental legacies
of the carbon age and developing
perspectives for the energy transition
in coal regions from a Resource
Nexus Perspective



SUSTAINABLE TRANSFORMATION IN COAL REGIONS OF THE GLOBAL SOUTH:

Challenges from a Resource Nexus Perspective (NEXtra Core)

The report in figures



Structure

General Overview

- Energy sector
- Coal sector
- Coal value chain dynamics
- Climate change and the coal sector
- Environmental impacts
- A just transition

Challenges and opportunities for the coal regions

- Environmental impacts
- Energy transition
- Employment

Lessons (to be) learned

- *Geopolitics, political will and corruption, financial mechanisms, new markets, mine closure, etc.*

Recommendations

- Colombia
- Indonesia
- Mozambique
- South Africa

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General Overview

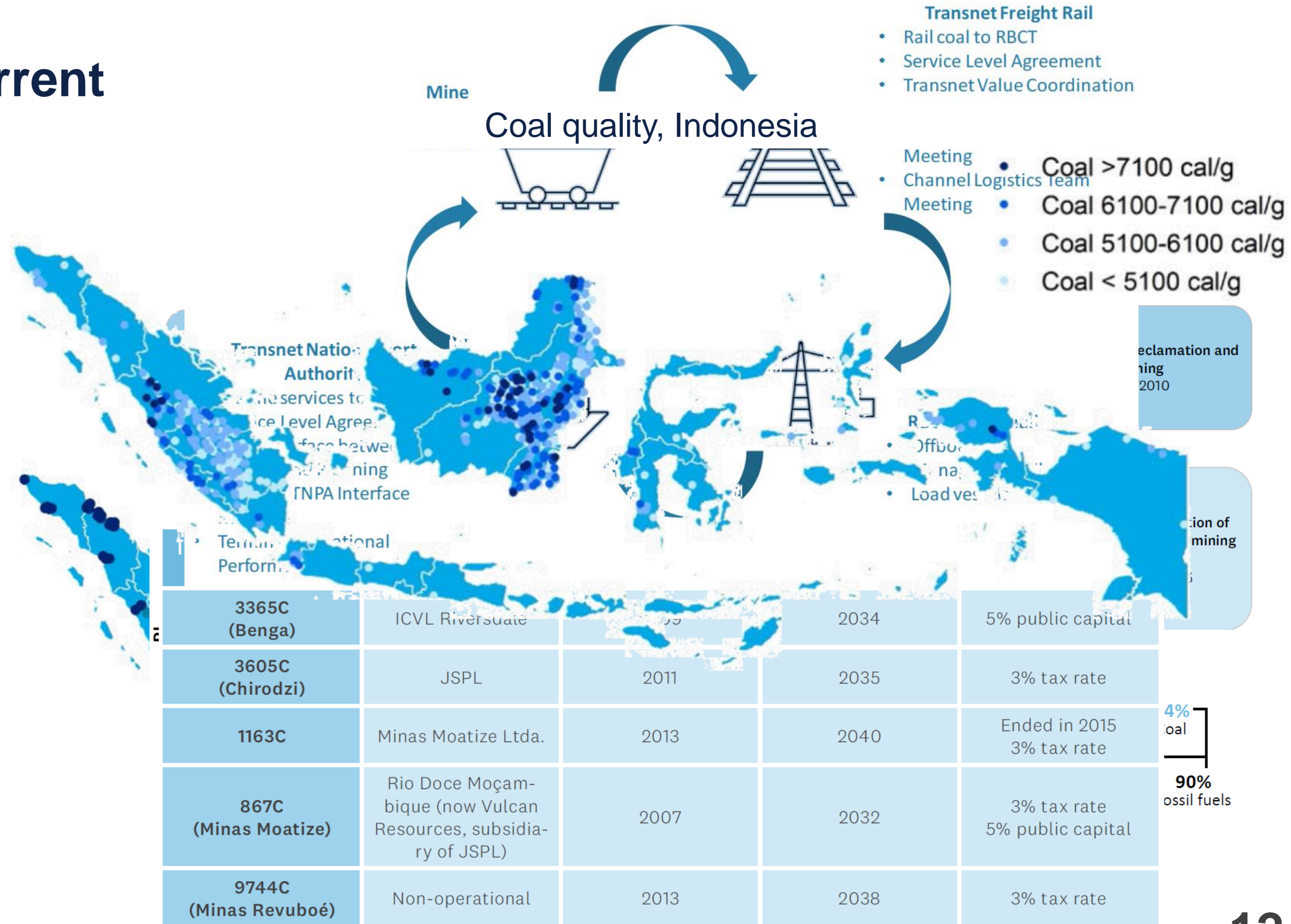


General Overview

Historic and current information by country

- Regulations and Policies
- Energy Infrastructure
- Energy matrix
- Consumption by Sector
- Installed Capacity
- Consumption Projections

Coal Concessions Area, Colombia RBCT Coal Value Chain, South Africa



Challenges and opportunities for the coal regions



Challenges and Opportunities

CHALLENGES

Incorrect Policy Focus
CPD / CPO and CCS, not reduction

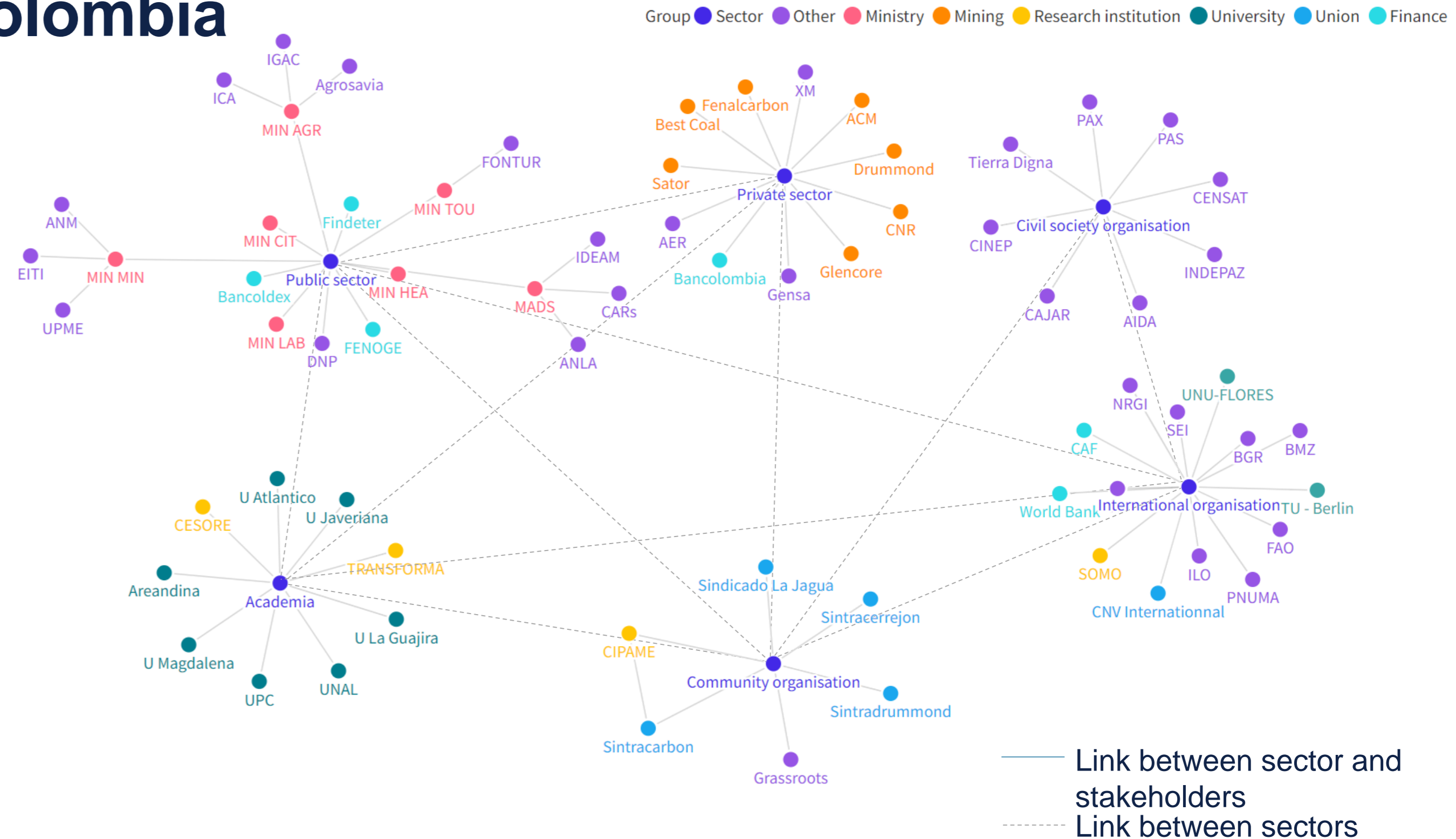
Lack of conceptual frameworks (Environ. liability, perpetual impacts, etc.)

OPPORTUNITIES

Renewed political will (National level)

NCRE pilot projects for impacted communities

Colombia



Challenges and Opportunities

CHALLENGES

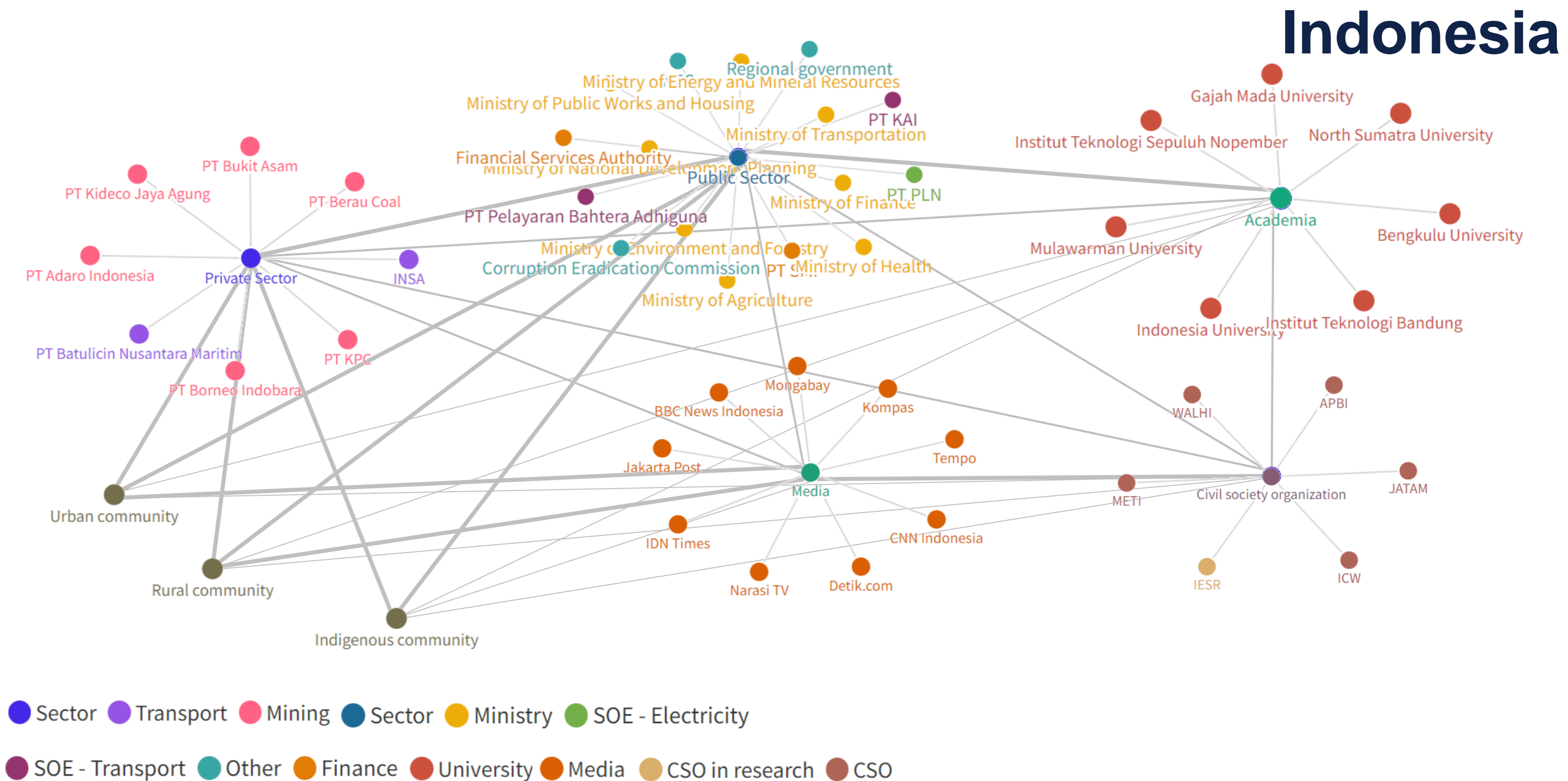
Sustainability through optimization, not reduction (coal quality, gasification, etc.)

Regulatory rollbacks in EIA ToRs, CFPP air quality standards and monitoring and coal transport regulated as a separate activity

OPPORTUNITIES

Potential litigation opportunities challenging regulatory rollbacks (royalties, standards)

Other commodities (transition and critical minerals)



Challenges and Opportunities

CHALLENGES

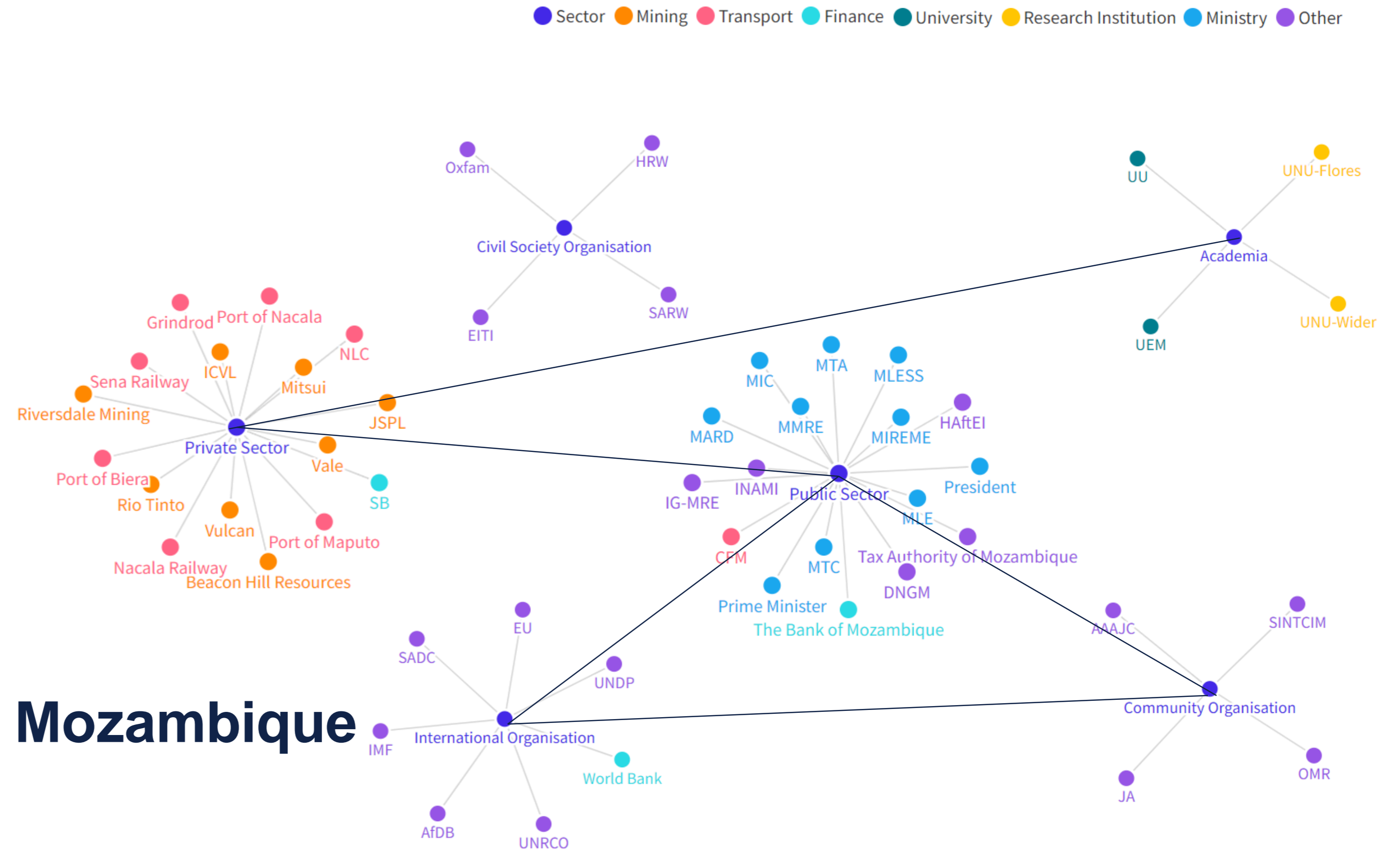
Environmental data availability and transparency

Procedural times preventing effective participation in environmental decisions

OPPORTUNITIES

Institutional auditing by the Tribunal Administrativo (MTA)

Decommissioning Fund (Law 12/2022 - NEL)



Challenges and Opportunities

CHALLENGES

Weak inter-institutional coordination and limited regulation enforcing

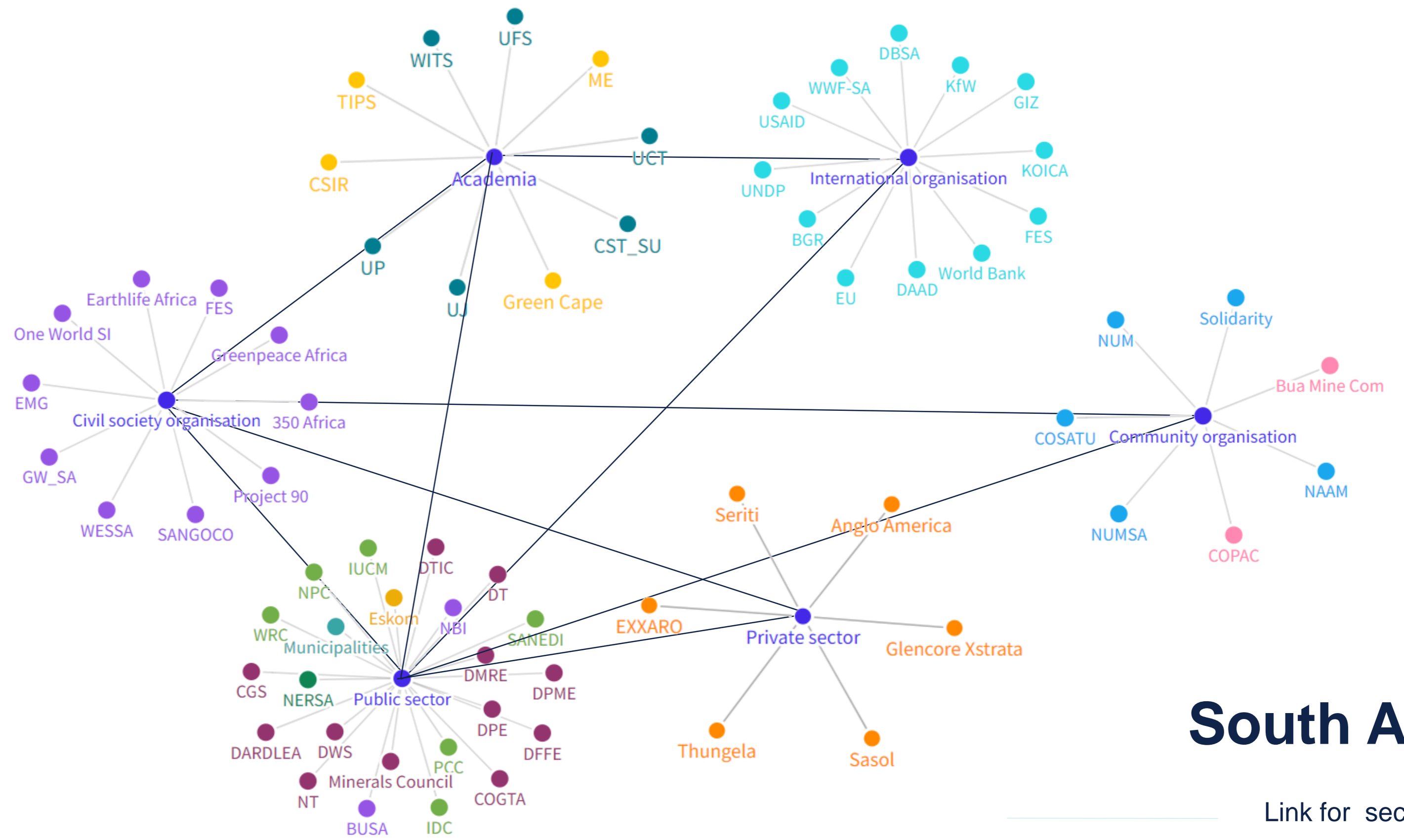
Impaired management of over 6000 abandoned mines

OPPORTUNITIES

**Energy Transition Investment Plan (from COP26)

Presidential Climate Commission and Just Transitional Framework

● Sector ● University ● Research institution ● Mining ● Finance ● Local authority ● Other ● Department ● Regulator ● Power Utility ● Agency ● Union ● Grassroot community



South Africa

————— Link for sectors
 ————— Links between sectors

Lessons (to be) learned



Lessons (to be) Learned



Australia



China (PRC)



Germany



Poland



U.S.A.



Recommendations



Recommendations

General findings

Integral cost of
the coal value
chains

- - -

Unknown or
neglected

Identification and
quantification of substitute
revenue sources

- - -

Some advance but many
support opportunities

Assessment of stranded
assets, CFPPs
repurposing and know-how
transfer - - - Highly
technical – Private sector
involvement?

NCRE pilot projects
for the impacted
communities

- - -

Low hanging fruit

Financial resources
for the transition

- - -

Grants, not loans

Recommendations

Colombia

National

Reform Law
2099/2021 and
CONPES
4075/2022
(*CPD to CPO*)

Creation and
implementation of
new closure and
post-closure
regulations

Institutional
capacity
building in the
use of the RNA

Independent
environmental
data collection

Unusually high
revenue (royalties
and taxes)
used for the JT

Local

Local economy
reorientation
guided by CPO
(international
cooperation)

NCRE Access
for
communities
near coal
mining projects

Trade-offs
accounting at
the regional
level

Land-use
planning
instruments
alignment

Recommendations

Indonesia

	National	Local
Regulatory	Improving EIA conditions, oversight provisions, and regulations (UU 11/2020)	Assistance in mine closure and post-closure procedures improvement
Know-how	Assistance in updating knowledge on JET and CPO	Identification of sectorial substitution pitfalls
		Funding academic research on local impacts in affected communities

Recommendations

Mozambique

International

Put pressure on consumer countries to avoid further lock-ins

National

Supporting the role of oversight institutions like the Tribunal Administrativo

Investing in high-level cooperation for independent studies on the environmental impacts of coal

Push for concrete improvements in environmental information Access (binding decisions, proactive publication)

Continue supporting institutional capacity building

Advocating for revenue sources substitution (other sectors)

Local

Facilitating NCRE deployment for rural communities

Foster community monitoring in the areas impacted by mining

Recommendations

South Africa

National

Advocate for regulatory changes (Elect. Regul. Act 4 / 2006)

Financial support in the form of grants and new instruments for JET are key

Fostering mitigation of technical and environmental impacts with citizens participation

Consider supporting changes in alternative economic sectors

Local

Push for measures to increase resilience in communities affected by the transition

Final Remarks

Acknowledgement

We would like to thank the BMZ for funding the project NEXtra Core.

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**Thank you for your attention.
We are happy to address your questions and comments.**



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