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Case Study

Komati After Coal

What the Social Employment Fund Reveals About a Just Transition

This case study was developed by the Economic Development Partnership in its role as convener of the Social Employment Network (SEN). This case study was written by Daniella Horwitz with contributions from: DARDLEA, ESKOM, IDC, JET PMU, Seriti Institute, Presidential Climate Commission (PCC),Ward 4 Komati Community Steering Committee and the World Bank.

Executive Summary

Komati shows that social employment[1] can stabilise coal-transition communities, but only when it is connected early to funded, place-based development pathways.

The Social Employment Fund (SEF) delivered immediate household relief, restored community activity, built practical skills, created a layer of social capital and supported early enterprise formation; however, its longer-term impact was constrained by factors out of its control such as troubled coordination, limited land and water access, thin local markets and the absence of a funded exit pathway. Future transition projects should therefore prepare livelihood support, enterprise development, infrastructure, finance, community governance and market access before closure, rather than treating them as post-decommissioning responses.

What has been demonstrated is that, in a short space of time, significant social capital in the form of trust, cohesion and self-belief can be built up, even in the most challenging environments.

[1] Social employment is publicly supported, often part-time work that creates social value for communities while providing income, skills development and pathways into further economic participation for unemployed people.

The closure and repurposing of Komati Power Station (KPS) is South Africa's first major test of whether a coal-dependent community can move through the energy transition in a way that protects livelihoods, restores confidence, and creates practical pathways into new forms of economic participation.

This case study argues that the Social Employment Fund (SEF) provided a practical bridge between immediate socio-economic relief and longer-term transition planning. It also shows that public employment can only support a genuinely just transition when it is embedded in coordinated, funded and sustained local development pathways.

Context: Komati and the Just Energy Transition

Komati Power Station (KPS), located in Mpumalanga's coal belt between Middelburg and eMalahleni, was officially shut down by Eskom (South Africa's public power utility) in October 2022 because its coal-fired units had reached the end of their operational life and become increasingly uneconomical to run.[2]

The station's closure took place in a province deeply shaped by coal: Mpumalanga hosts most of Eskom's coal-fired generation and a large share of the coal value chain, making the transition both a climate imperative and a local socio-economic challenge.

In November 2022, the decommissioning and repurposing of KPS was selected as the pilot site for Eskom's Just Energy Transition Project (EJETP), supported by the World Bank, with the aim of demonstrating how coal assets can be retired and repurposed while creating opportunities for affected workers and communities.

[2] The last operational unit was shut down in October; the other eight units had been shut down over time.

What is EJETP?

The Eskom Just Energy Transition Project in Komati combines three linked objectives: repowering the site with renewable energy and batteries, repurposing assets at and near the site for alternative economic diversification and reducing the socio-economic impact of closure on workers and communities.

For this reason, Komati is not only an energy project; it is also a test of whether social support, local economic development and diversification, and community participation can be planned and coordinated well enough to make the transition genuinely just.

The stakes are high because the planned retirement of additional coal plants in Mpumalanga will affect communities already vulnerable to job losses, weakened local economies, and pressure on public services.

South Africa's Climate Change Commitments

South Africa's climate change commitment centres on transitioning to a low-carbon, climate-resilient economy while addressing severe socio-economic challenges. Key targets include reaching net-zero emissions by 2050 and capping greenhouse gas emissions between 350 and 420 $MtCO_2e$ by 2030, in alignment with the country's updated Nationally Determined Contribution (NDC).[3]

These national commitments provide the policy backdrop for Komati, but the central issue is how they translate into lived change in a previously coal-dependent community.

[3] United Nations Development Programme. Global Climate Promise South Africa. Available here: https://climatepromise.undp.org/what-we-do/where-we-work/south-africa

Community Impact, Response Gap and Institutional Roles

The decommissioning of Komati Power Station affected a community already closely tied to the coal value chain. Residents live across Komati Village, Big House Farm, Blinkpan, Koornfontein village, Goedehoop North and Goedehoop South, including both formal and informal settlements. The project directly affected 661 power-station workers[4] and indirectly affected many more households. Between 5 000 and 6 000 people[5] live in the area impacted by Eskom, mining companies and farming operations.

Three nearby mines closed just before the Komati shutdown and together, they deepened job losses, weakened the local economy and increased pressure on municipal social services.

Although repurposing activities were being planned, the opportunities associated with these were not yet ready to absorb the effects of the shutdown.

From Service Loss to Response Gap

The closure also removed practical services that had supported daily life. When the power station was operational, Eskom and the adjacent mine provided clinic services and transport to high schools in neighbouring towns. These services are no longer provided, leaving residents to navigate unemployment, weakened public services and uncertainty about future opportunities at the same time. Crucially, KPS supplied water to Komati Village and continues to do so.

[4] Eskom Holdings SOC Ltd. 2022. *Environmental and social management framework (ESMF): Eskom just energy transition project (P177398).* The World Bank. Available here: https://documents1.worldbank.org/curated/en/099051223121526246/pdf/P1773980d9d9b40ac0a77b0a2f417b21efb.pdf

[5] Patel, O. 2024. Tour of Komati Power Station Reveals Dilemmas. *Mail & Guardian*, 10 February 2024. Available here: https://mg.co.za/thought-leader/2024-02-10-tour-of-komati-power-station-reveals-dilemmas/

Various government entities and civil society organisations were active in Komati, but the response environment was fragmented. The immediate challenge was therefore not only to deliver relief, but to coordinate institutions, rebuild trust and create a practical bridge between community need and longer-term transition planning.

The following stakeholders were central to shaping that response and to enabling the rollout of the Social Employment Fund.

Key Stakeholders and Institutional Roles

1. Mpumalanga Department of Agriculture, Rural Development and Environmental Affairs (DARDLEA): DARDLEA provided provincial institutional support. Its mandate includes implementing national legislation, policies and programmes in the province, supporting provincial economic development, climate change responses and just transition initiatives. It played a pivotal role in supporting the Komati Steer Co. and coordinating between local stakeholders.

2. Presidential Climate Commission (PCC): The PCC provided national oversight and diagnostic framing. In 2023, President Cyril Ramaphosa tasked the PCC with investigating the "justness" of the transition. The PCC visited Komati, engaged the economically distressed community, and found that several entities were attempting to mitigate socio-economic impacts, but that coordination was weak and the overall impact limited. It subsequently established the Komati Redevelopment Initiative to register and align stakeholders and reduce fragmented engagement.

3. Ward 4 Komati Community Steering Committee (Steer Co.): The Steer Co. provided the local engagement mechanism. Based in Ward 4 of the Steve Tshwete Local Municipality, it considered community needs and aspirations, focusing on transformative socio-economic opportunities that reduced transition risks. It coordinated engagement between Komati residents, Eskom, government institutions and climate-focused organisations following the decommissioning of KPS.

4. Just Energy Transition Project Management Unit (JET PMU): The JET PMU supported coordination and finance mobilisation. It convenes role-players involved in South Africa's just energy transition, mobilises and directs finance, and tracks socio-economic impacts.

5. Industrial Development Corporation (IDC): The IDC brought a development-finance response into the Komati process. As a self-financing national development finance institution, its mandate is to support balanced, sustainable economic growth and the economic empowerment of South Africans.

IDC Funding Decision and SEF Entry Point

In early 2024, the PCC and JET PMU collaborated with stakeholders to bring the IDC into Komati as an immediate response to the socio-economic effects of closure. The Social Employment Fund (SEF), which is managed by the IDC, was seen as the most suitable tool because it had already been successfully implemented elsewhere in South Africa; it is a public employment programme providing part-time work while supporting skills development, economic participation and community-benefit activities

Impact Catalyst's SEF Intervention

Impact Catalyst implemented a SEF project in Komati from January to July 2024. This project employed 186 local participants in alien invasive plant clearing activities aimed at restoring environmental health, reducing wildfire risk, improving grazing land and strengthening biodiversity. Participants also received accredited and non-accredited training in areas such as environmental management, safety, chainsaw operation, financial literacy and digital tools.

The site formed part of a larger programme that exceeded its land-clearing targets and generated significant volumes of biomass[6] with potential commercial value through future beneficiation initiatives such as pellet[7] production. In addition to creating temporary employment, the project built environmental stewardship skills and laid the foundation for longer-term green economy opportunities in the area.

[6] Organic material derived from living organisms, such as plant matter.

[7] Biomass pellets are small, dense cylinders made from compressed organic waste like sawdust, wood chips, and agricultural leftovers. They are used as a source of fuel.

This intervention is included here as background to the wider SEF presence in Komati. The focus of this case study, however, is the later Seriti Institute implementation, which began after Seriti was appointed by the IDC in July 2024.

Seriti Institute's Appointment and Implementation Model

Prior to implementation, Seriti had already been conducting Just Transition-related work in Mpumalanga through community surveys and stakeholder engagement. Its September 2024 exploratory visit confirmed two implementation realities: local need was urgent, and community expectations were complex after years of uncertainty. Following consultation with the community and stakeholders, the SEF launched in Komati in January 2025. Recruitment for 300 participants was initially delayed because the Steering Co. requested clearer information on training and monitoring. Once this was provided, recruitment proceeded and the first cohort began work in late March, with activities continuing through to March 2026.

Komati Workstreams and Activity Areas

The implementation model organised participant activity around six workstreams:

1. Food Security and Nutrition
2. Greening and Environment
3. Health Care Services
4. Parenting and Early Childhood Support
5. Sports and Recreation
6. Digital Inclusion

The programme adopted a facilitation-based and community-centred approach. Rather than implementing activities for communities, participants were supported in leading and managing them themselves.

1. In agriculture, the programme established seven productive farming sites including a seedlings nursery, focused on food production, skills transfer, and cooperative development.
2. Environmental activities focused on recycling, composting, environmental awareness, and climate-smart practices.
3. The healthcare component focused on community wellness, basic screenings, referrals, and health education in partnership with a mobile clinic and local mentors.
4. Early childhood development (ECD) and parenting support focused on caregiver empowerment, nutrition awareness, and strengthening local support systems for children and families.
5. Sports and recreation activities were used to strengthen youth participation, leadership, and social cohesion.
6. Digital inclusion activities introduced participants to online learning, digital literacy, and remote work readiness.

Payment Model and Local Economic Circulation

SEF participants were employed part-time by Seriti and paid a monthly stipend for community-building activities. The IDC deposited stipends directly into participants' bank accounts to ensure accountable payment. The funding model allocated 75% of funds to stipends and 25% to programme costs, ensuring that most resources flowed directly into households and the local economy.

"The social employment programme provides valuable work experience, skills development, and financial support. The programme has helped me to support my family and reduce stress at home. The income helped us to buy basic needs such as food, transport, and household essentials … It gives people hope, confidence and opportunities to improve their lives."

Asiphe Khangeleni, SEF participant

These design choices made SEF one of Komati's first visible community-wide interventions after years of uncertainty and created the basis for the programme outcomes described below.

Programme Outcomes

Agriculture emerged as a central area of progress. Seven communal gardens were established, and more than 107 000 seedlings were produced, contributing to local food systems and household nutrition. Although land access remained a structural constraint,[8] approximately five hectares were brought under production, yielding more than three tonnes of vegetables for consumption and local sales.

The programme addressed service gaps by reaching 668 households through parenting support and 695 individuals through health screenings.

[8] The majority of available land is privately owned, which restricts long-term planning and investment. Access to these sites required rental agreements with landowners, which increased operational costs and limited scalability. Only two project sites, located within local schools, were exempt from these constraints

Youth engagement was strong, with 288 individuals participating in structured sports and recreation activities that reinforced social cohesion and positive community participation.

SEF also created pathways into economic participation. Seven enterprises were established and supported with start-up equipment and inputs. Ten participants were trained in tractor operation, strengthening employability in the agricultural sector.

Training reinforced these outcomes by combining practical technical skills with workplace readiness and community leadership development. Participants gained accredited and non-accredited training in crop production, irrigation installation, agribusiness development, seedling production, food safety, digital literacy, first aid, health screening support, recycling, teamwork, communication, leadership, financial literacy and basic business management.

Overall, the programme delivered immediate socio-economic relief, strengthened community systems and laid foundations for longer-term development pathways. It also supported 82 participants to transition into employment or education opportunities. These results show that social employment can stabilise households and rebuild confidence and trust, even though land access, data affordability and institutional coordination limited the full realisation of targets.

"You could tell that something positive was happening. A Seriti uniform identified the participants, and you would see them moving through the streets, brimming with smiles. Life had taken on a certain semblance of normality, despite hardship."

George Mpe, Steer Co. Deputy Chairman

These outcomes show what short-term social employment can achieve, but they also point to the conditions that must be in place if such gains are to last beyond the programme cycle.

Lessons, Constraints and Recommendations

1. Build a Funded Sustainability Pathway Before Programme Exit

By the end of the programme, seven cooperatives had been registered, primarily focused on vegetable production, nursery development, and environmental activities. Participants also explored opportunities linked to waste management, greening services, catering, and ECD-related initiatives. As part of the transition process, Seriti provided support through training, mentorship, agricultural inputs, tools, and the handover of equipment and materials. However, sustaining these initiatives beyond the programme period has proved difficult.

While the cooperatives were established with good intentions and early momentum, many are not currently operating optimally. Interest declined after the programme ended, and several participants moved on to other income opportunities or short-term work.

> *"If there is one project that truly brought hope and opportunity to the community, it was the SEF, which created employment for more than 300 people. However, one of the key lessons is that we did not have a sustainable exit pathway once the project came to an end. Going forward, development initiatives must be designed with sustainability in mind. If a project is only intended to run for a year, there should already be a follow-on initiative in place to ensure continuity of employment and community benefits."*
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> **Dr Notiswa Libala, PCC Senior Manager: Just Transition**

In some cases, only one or two members remained active, and maintaining the gardens became too labour-intensive without broader participation and ongoing support. Participants were also discouraged by the absence of stipends after programme closure, as they were expected to generate income independently.

Other income incentives such as produce sales were not successful because market access also remained a major constraint. Demand from local retailers was significantly lower than production volumes during harvest periods. As a result, excess produce was often donated to vulnerable households rather than sold commercially.

The lesson is that enterprise development takes time. Access to land, water, infrastructure, markets and ongoing mentorship must be planned as part of the programme model rather than treated as post-programme add-ons. Skills training alone is not enough without enabling systems and longer-term support.

This is where corporate social investment (CSI) and other funders within the ecosystem can make a major difference by investing in sustainable exit pathways; these are structured transition plans moving participants from temporary jobs into permanent livelihoods, entrepreneurship, or formal private-sector roles. Key strategies include accredited skills development, private-sector partnerships, and micro-enterprise support.

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"I think participants still need support with job placement opportunities, career guidance and skills development after exiting the programme. Some participants may also need mentorship and assistance with starting small businesses or accessing further training opportunities."

Loria Nel, SEF participant

2. Develop a Transition Pipeline Before Closure

One of the clearest lessons is that socio-economic planning must begin before decommissioning, because negotiating partnerships, aligning mandates, and securing resources during implementation delayed benefits and reduced flexibility.

"The experience at Komati demonstrated that fragmented planning can delay implementation and increase the socio-economic costs of decommissioning. A more programmatic approach is needed ... one that coordinates the many stakeholders involved and ensures that worker, community and economic transition measures are implemented alongside the technical closure of the plant."

Neil Cole, JET PMU Finance Manager

As the first major just energy transition pilot of its kind in South Africa, Komati had limited precedent to draw on. Although Eskom had conducted socio-economic assessments before closure, feasible projects did not materialise quickly because funding took time to unlock.

Future transition projects should prepare a programme pipeline in advance, with public employment, small, medium and micro enterprise (SMME) support, infrastructure, skills development, and enterprise opportunities sequenced so that communities do not experience an economic vacuum after closure.

A just transition cannot be delivered by one institution alone; it requires a whole-of-government and whole-of-society approach that brings donors, development finance institutions, private sector actors, skills providers, municipalities, and community structures into a shared plan before decommissioning.

3. Strengthen Community Governance, Communication and Co-Creation

Multiple external actors were active in Komati, but weak coordination contributed to inconsistent messages, duplicated engagements and community uncertainty about what would happen, when it would happen and who was responsible. Future transition programmes should treat community governance as a core design requirement, aligning national government, provincial structures, municipalities, implementers, funders and community representatives around a shared engagement process.

Communication should start before closure, explain timelines and limits clearly, and reach residents directly rather than relying on media or fragmented stakeholder updates. In Komati, communication gaps made expectation management more difficult because some residents were unclear about the decommissioning process, the SEF timeframe, and the limits of public employment.

Co-creation should also be built into decision-making. Initial resistance to Seriti partly reflected concern that the community had not been sufficiently included in decisions about programme implementation; relationships improved when stakeholders attended Steer Co. meetings, presented plans directly, answered questions and treated community representatives as partners rather than passive recipients.

"Even during our evaluation assessment after March 2026, most of the participants indicated they are not aware of how this decommissioning came about ... It tells us that little awareness or consultation was done before the entire process to make them aware."

Dr Siphesihle Qange, Seriti Programme Manager

“Co-creation is essential for sustainability: programmes are more likely to last beyond external funding when communities help shape the activities, understand the operating model, and are connected early to the departments and institutions that can support continuity.”

Dudu Sibiya, DARDLEA Just Transition Coordinator

4. Manage Expectations About What Public Employment Can Do

In Komati, some community members expected the SEF to run for three years or replace the economic role of Eskom; clearer communication about funding, duration and exit pathways would have reduced disappointment when additional funding was not secured.

“We need to make sure opportunities are sustainable, ensuring circular economic principles with money staying in the community ... SEF does not provide long-term employment; it acts as a stepping stone into finding out where we could actually further pursue full-time work, based on what we learn from the initiative.”

Dr Dana Gampel, Eskom JET Corporate Specialist

Public employment should be presented as a bridge into skills, confidence and community value, not as a direct replacement for the jobs and services previously associated with coal assets.

5. Design for Flexibility Around Structural Constraints

Seriti’s experience showed that implementation models must remain flexible because structural constraints will emerge during delivery. Initial plans had to be adjusted because the municipality had no land available for community development projects, requiring Seriti to secure programme sites through agreements with private individuals and schools. The programme also had to adapt early childhood and parenting activities to avoid duplicating another implementer’s work.

However, Komati also faced implementation challenges that could not be resolved through programme design alone. These constraints were rooted in the wider transition environment: limited local institutional capacity, weak markets, unresolved access to land and water, and persistent uncertainty about what replacement livelihoods would look like after coal. Seriti could adapt activities, build trust and support participants within the scope of the SEF, but it could not by itself create the infrastructure, finance, procurement channels or long-term institutional arrangements needed to convert short-term momentum into durable economic opportunity.

The remaining challenges therefore point to issues that future transition programmes must address at system level before communities are expected to carry the burden of implementation.

Remaining Implementation Challenges

Local Economic Opportunities and Markets

Problem: the local economy has limited purchasing power and few immediately viable diversification opportunities.

Implication: feasibility studies, procurement pathways and neighbouring market development must be built into transition planning before enterprises are expected to sustain themselves. Efforts around ensuring circular economic stability and keeping capital local are ways to address this. However, it takes time and should be part of the interventions' deliverables to ensure capital remains within the community.

"One of the challenges in Mpumalanga specifically is that there aren't that many civil society organisations (CSOs) and non-profit organisations (NPOs) aligned with SEF's Strategic Implementing Partner (SIP) criteria. That is why Seriti came in and was initially seen as somewhat of an outsider. Thinking about how to institutionally strengthen local CSOs and NPOs is a precursor to transition."

Carmen Mollmann, JET Funding Platform Analyst

Institutional Capacity

Problem: Mpumalanga has limited local civil society and non-profit capacity to implement complex transition programmes.

Implication: external implementers may be necessary in the short term, but transition resilience depends on strengthening local institutions before major interventions are launched.

Land and Water Access

Problem: agricultural expansion is constrained by land ownership patterns and unreliable water access.

Implication: land-use agreements, water supply arrangements and infrastructure commitments must be secured before agriculture is positioned as a long-term livelihood pathway.

Expectation Management and Community Fatigue

Problem: residents still expect employment comparable to mining and power generation work, while repeated promises have contributed to fatigue and uncertainty.

Implication: programme objectives, limits, duration and exit options must be communicated clearly and repeatedly through trusted community structures.

Taken together, these constraints underline that public employment can create momentum, but sustained transition outcomes depend on coordinated investment, institutional capacity, viable markets and access to the physical resources required for enterprise development.

From Temporary Relief to Lasting Transition

Komati demonstrates both the value and the limits of short-term social employment in a coal transition context. The SEF provided immediate relief, restored routine, built practical skills and supported visible community-led activity. This illustrated that social capital and cohesion can be created in a constrained environment, provided there is an effective development partner and framework. Yet the programme also shows that these gains cannot endure unless they are connected to longer-term institutional, financial and economic support.

The strongest lesson is that just transition planning must begin before closure. Immediate livelihood support should be sequenced with future economic pathways, and stakeholders should coordinate early around land, water, procurement, enterprise development, skills, finance and community participation.

Komati therefore shows that public employment can create real social value in coal-transition communities, but only when it is linked early to funded, place-based economic pathways. Without that connection, social employment risks becoming temporary relief; with it, it can become a practical bridge into diversified, locally-owned development and a more just energy transition.

> *"Development doesn't take 12 months. When people see the value of the skills they have learnt and want to continue, they should be given the opportunity. If this model had come earlier, the impact and output would have been much more than what we are seeing. More can be achieved with time and greater investment."*
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> **Lungile Gasa, IDC Senior Manager Partnership Programmes**








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