

RD20's Contribution to South Africa's G20 Presidency - Energy Transitions Working Group (ETWG): Voluntary Principles for Sustainable Industrialisation Hubs

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The imperative for sustainable industrialisation is undeniable, particularly in a world grappling with climate change and resource depletion. Establishing sustainable industrialisation hubs, which integrate ecological principles with economic development, offers a powerful pathway forward. However, the successful realisation of such hubs is significantly bolstered by, if not entirely dependent on robust international collaboration.

Sustainable industrialisation hubs are emerging as pivotal platforms in this transition. These geographically concentrated, sustainable energy integrated zones can play a central role in decarbonizing heavy industry, enhancing energy security, advancing clean technology innovation, and generating inclusive employment. By clustering industrial actors, shared infrastructure, and R&D ecosystems, SIH align energy transitions goals with economic development.

Countries that align their industrial strategies with clean energy transitions stand to benefit from

- Participation in global clean technology value chains,
- Decarbonisation of hard-to-abate sectors (e.g. steel, cement, shipping, fertilisers),
- Socioeconomic dividends such as job creation, energy access, and improved trade competitiveness.

Global momentum is accelerating, with SIH already advancing in countries such as South Africa, Morocco, Austria, Denmark, Saudi Arabia, and Brazil. However, systemic barriers remain a concern particularly for developing regions due to limited access to affordable finance, fragmented regulatory frameworks, weak infrastructure, and limited technology localisation