OPEN SDG CLUB SOUTH AFRICA
2020 DIALOGUE REPORT

South Africa's progress on Goal 13 - Climate Action and opportunities for building climate resilience into the COVID-19 reconstruction and recovery plan.

Introduction

The COVID-19 pandemic and subsequent country-wide lockdown has exposed various systemic vulnerabilities in South Africa, and resulted in the loss of livelihoods and hunger, an increase in Gender-based Violence and violent crimes, and exposed the lack of adequate capacity in its health systems and the limited scope of the country's social protection systems. It has tested South African disaster preparedness and exposed gaps in its disaster response management.

The post-COVID-19 rebuilding and recovery plans could represent a critical window for investing in resilience because the government will be spending billions to restart the economy. The danger is that financial resources, and with it, the political appetite for change, will then shrink. That is why now is the time for the rich countries of the world to help poorer countries reboot their economies and boost their resilience to future threats, including climate change.

The Global Commission for Adaptation notes that as governments roll out their economic recovery and financial support packages, there is an opportunity to make those recovery plans as green and sustainable as possible. This includes both measures to increase climate action to reduce emissions, as well as measures to increase the resilience towards climate change impacts. "Both types of measures offer the opportunity for a sound, long-term investments beyond immediate considerations, which can recharge economies, create jobs and boost the well-being of people around the world".[1]

The Global Commission on Adaptation[2] calls on world leaders to incorporate climate resilience into economic recovery packages. It has called for accelerated progress in seven areas: Locally Led Adaptation, Urban Resilience, Water Resources Management, Social Safety Nets, Food Security, Nature-Based Solutions, and Disaster Prevention.

The South African government has unveiled the Economic Reconstruction and Recovery Plan[3] which aims to deal with immediate actions towards economic recovery amid COVID-19, and rebuild and grow the economy - ensuring sustainability, resilience and inclusion.

This proposed plan has eight priorities: that is, strengthening energy security, localisation through industrialisation, strengthening food security, infrastructure investment and delivery that meet the National Development Plan (NDP) goals, support for tourism, green economy interventions and public employment programmes, as well as macro-economic policy interventions.

It is, therefore, important to have a critical review of the reconstruction and recovery plan and identify opportunities for building in climate resilience and develop civil society's position on the climate-resilient recovery plan.

To do this African Monitor hosted an open SDG dialogue on the 26th November 2020 and focused on South Africa's progress on Goal 13 (Climate Action) and opportunities for building climate action and climate resilience into the post-COVID-19 reconstruction and recovery. The dialogue brought together 36 public officials, experts, activists and grassroots community representatives.

1 Global Commission on Adaptation, 2020. "Call to Action for a Climate-Resilient Recovery from COVID-19. UNFCC. retrieved from https://unfccc.int/news/call-to-action-for-a-climate-resilient-recovery-from-covid-19
2 Ibid
3 https://www.gov.za/sites/default/files/gcis_document/202010/south-african-economic-reconstruction-and-recovery-plan.pdf

To kick start the conversation, a panel of climate change experts were invited to discuss the following critical issues:

- Assess South Africa's progress on Goal 13 -Climate Action and follow up on outcomes of the Voluntary National Review (VNR) report, 2019.
- Explore and identify the components of the climate-resilient recovery in the South Africa context. Importantly looking at the grassroots community's perspective on SA's progress on climate-resilient recovery.
- A critical review of South Africa's reconstruction and recovery plan from a Climate Action perspective.

The dialogue was moderated by **Mr Josh Ogada**, the Knowledge Management Lead at SouthSouthNorth, who works with governments and other stakeholders in the Global South on climate resilient planning.
The panel of experts included:

1. **Mr Desmond D'sa** - Coordinator of the South Durban Community Environmental Alliance[4].
2. **Ms Bongiwe Matsoha** – a Researcher at Earthlife Africa, whose current research focuses on a just transition in South Africa
3. **Mr Gray Maguire** - Green Economy Coordinator at the Department of Environmental Affairs and Development Planning within the Western Cape Government.
4. **Mr Glen Tyler Davis** - South African Team Leader for 350Africa.org.

Dialogue report

The civil society shadow report on South African voluntary national review 2019, had rated South Africa two out of five (2/5) for climate action for several reasons, ranging from lack of robust legislative framework on climate action, lack of specific plans, programmes and strategies, lack of capable state agency, to lack of implementation, as well as accountability mechanisms.

Ms Claire Martens, the lead author of the report, highlighted that taking a look at the COVID-19 Economic Reconstruction and Recovery Plan, Climate Action is not mentioned, and it is silent on how to address environmental management in the future.

She expressed her hope that this session will provide ideas for possible actions for accelerated delivery on Goal 13 and recommendations for a climate-resilient recovery plan.

> **“South Africa needs a just transition. However, a just transition should not be limited only to energy transition but should be seen as an economic-wide transition where is the entire economy is decarbonized.”**

4 Mr D'sa is a 2014 Goldman Environmental Prize winner who is fighting for a decent living environment for the residents of the South Durban area.

South Africa's progress on Goal 13 -Climate Action

South Africa has not made much progress with regards to SDG13 on climate action and the reduction of carbon emissions. South Africa's reliance on fossil fuels will continue for the foreseeable future. The country is not on track in terms of its National Determined Contribution and is planning to build new coal plants. Furthermore, the government continues to issue licenses for oil and gas exploration. Both in policy and practice, the country is not moving in the direction of delivering on Climate Action by 2030.

There has been some progress in other respects, however. South Africa has submitted a low emission development strategy, 2050, as a long-term plan, which was submitted to UNFCC in 2020. The document reiterates South Africa's commitment to achieving the Paris goals and the implementation of the strategy will also contribute directly and indirectly to the meeting of SDG 13. The country has published a National Climate Change Response Policy (NCCRP) which represents the government's comprehensive policy framework for responding to climate change, including provisions for adaptation and mitigation.

South Africa had released a draft Climate Change Bill in June 2018, which is yet to be enacted. The draft law aims for the establishment of a Ministerial Committee on Climate Change to oversee and coordinate the activities across all sector departments. South Africa would have to set sectoral emission targets (SETs) for each Greenhouse Gas (GHG) emitting sector in line with the national emission target every five years. Carbon budgets will be allocated to significant GHG emitting companies. Carbon budgets will put a cap on emissions and make it mandatory for companies to constrain their emissions. It is yet to be finalised.

The Integrated Resource Plan (IRP) of 2019 was adopted by Cabinet in October 2019. It has set an overall emissions constraint of 275 $MtCO_2$/year for electricity generation after 2024, meaning that the total emissions from electricity generation should not be higher than this threshold. ; The revised plan aims to decommission over 35 GW (of 42 GW currently operating) of Eskom's coal generation capacity by 2050. Interim steps are 5.4 GW by 2022 and 10.5 GW by 2030. The 5.7 GW of coal capacity currently under construction would be completed and another 1.5 GW of new coal capacity would be commissioned by 2030.

Cabinet had approved a Carbon Tax Act in February 2019, which covers fossil fuel combustion emissions, industrial processes and product use emissions, and fugitive emissions such as those from coal mining. A basic tax-free threshold for around 60% of emissions and additional allowances for specific sectors would result in tax exemptions for up to 95% of emissions during the first phase until 2022. While the full carbon tax rate is proposed to be R 120/tCO_2e (USD 8/tCO_2e), after exemptions, the effective tax rate is expected to be between R6–48/tCO_2e (USD 0.4–3/tCO_2e) (KPMG, 2019).

Some of the sectoral policies related to reducing emission have been published, while others are under consideration. The Department of Transport recently published the country's first Green Transport Strategy 2018–2050 with a list of measures that should be implemented to transition the sector to a low carbon future. The National Energy Efficiency Strategy (NEES), which proposes industrial sector targets, is still under consideration.

According to Mr Maguire, a Green Economy expert in the Western Cape government, there is a lack of alignment and coordination between national, provincial and local government.

South Africa needs a just transition. However, a just transition should not be limited only to energy transition but should be seen as an economic-wide transition where is the entire economy is decarbonized. The major source of emissions in South Africa is from electricity generation and liquid fuel.

South Africa's progress on Goal 13 is not on track. According to Ms Matsoha, South Africa is failing to meet its reduction obligations in terms of the National Determined Contribution (NDC) and studies have already shown that the current emissions reductions are not sufficient to meet its 2050 target.

According to the Department of Environment, Forestry and Fisheries, the new submission for the Enhanced

NDC in 2021 would be ambitious. However, South Africa is not on track in terms of the current NDC, as mentioned before, and the Integrated Resource Plan (IRP) 2019 still prioritises coal and gas as the primary source of energy. The government is planning on building another coal-fired power plant to generate 1500MGHW electricity which will further increase the country emissions over and above the upper end of the NDC. Gas is being considered as a transitional primary source of energy, therefore, South African progress on Climate action is not promising. Despite the ambitions of the NDC, it doesn't look on the face of it as if the government will achieve these targets.

The government continues to issue licenses for the exploration of oil and gas as part of its "Ocean Economy" initiative. As Mr Desmond D'sa explains, over the last 5 years, oil and gas companies, such as SASOL, have shown an increasing interest in exploring South Africa's coastlines. This is because the government has provided exploration licences to these companies without any consultation. These explorations reduce our progress on climate action and protecting life below the water (Goal 13 and 14) because the drilling severely affects the biodiversity of the ocean. Already there are instances where whales and dolphins have beached themselves on the coastlines. Furthermore, there is no disaster preparedness plan related to the oil and gas sector at the local government level. Local communities are pushing back to stop the drilling of the seabed and coastline.

There is a need to focus on the creation of sustainable jobs. For example, it is important to recall that the fishery sector sustains the lives of local communities. Furthermore, we need to focus on the energy mix and transition from fossil fuels and mining, to renewable energy sources, in partnership with the labour unions and other actors. There is a need to look towards an alternative economy that builds on local economies and which distributes wealth to local communities, where people take ownership of wealth. There is a need to push back on the oil and gas sector at local, national and international levels; our future is at stake. Companies are not adhering to NEMA[5] regulation - we should work with trade unions - workers are critical allies in trade unions.

In the South Africa context, renewable energy has a strong business case as it is becoming the cheaper primary source of energy compared to fossil fuels. The green economy initiatives should be supported by green financing, as there are initiatives from the private sector financing for renewable energy.

The power generation side of emissions is less of a problem than liquid fuels. One of the reasons is that big liquid fuel producer, SASOL, is less hesitant to change to new energy because they have not been taking the right steps to ensure climate action. The other reason is the fact that there has been a recent increase in the consumption of energy that is also derailing South Africa's progress on SDG13.

South Africa exports have to be decarbonized and South Africa must consider a way to export renewable energy to other sub-Saharan African countries.

There is an issue of biodiversity loss in South Africa. This has a negative impact on the livelihoods of communities that depend on land tenure systems in the Eastern Cape and Mpumalanga. South African biodiversity degradation is one of the highest in the world! There is a need to ensure corporate accountability with regards to environmental regulations (those related to NEMA) around biodiversity degradation.

Review of South Africa's Reconstruction and Recovery Plan from a Climate Action Perspective

The Climate Action Tracker note "the initial proposals by the South African government for post-COVID-19 economic recovery indicate its intention to focus on carbon-intensive investments instead of prioritising a 'green' recovery."[6]

The COVID-19 pandemic is shaped by a highly extractive economic and political system that prioritises profit over people. Mr Glen Tyler from 350 Africa explained that the economic orthodoxies – typically subsumed under the banner of neoliberalism – have not only created the ecological conditions under which COVID-19 has emerged, but have also weakened the very institutions – like a strong public healthcare system or robust socio-economic safety nets – that would help us fight the repercussions of the pandemic.

5 National Environmental Management Act, 1998 (act no. 107 of 1998) publication of implementation guidelines for comment (NEMA regulations)
6 Visit https://climateactiontracker.org/countries/south-africa/. Accessed February 2021

Based on a study conducted by 350.org and its partners, a Just Recovery should be guided by five principles. These are: put people's health first, provide economic relief directly to the people, help workers and communities, not corporate executives, create resilience for future crises and build solidarity and community across borders.

South Africa needs to shift away from reliance on fossil fuels and extractive industries such as mining towards greater diversification. It is necessary to build more environmentally-friendly industries and employment-creating opportunities.

350. org suggested the following six pathways to a just recovery that will give bring about a systematic change to the economy.

- Reclaiming and rebuilding public services to promote public affluence. This includes densified public housing that is integrated into public transport networks.
- Complementing the Green Economy with the eco-feminist Purple Economy - Green Economy is about internalising environmental cost into our economy, whereas the Purple Economy means internalising care costs not valued in our current economic system.
- Implement a just transition to a low-to-zero carbon energy system. Ensure social and community ownership as part of the transition to renewable energy. As part of the COVID-19 economic recovery, draw up a just transition plan that invests in and protects workers and communities vulnerable in the transition to a zero-carbon energy sector, through an inclusive and multi-stakeholder process.
- Pursuing sustainable structural transformation which entails shifting production towards high-value-added, higher productivity, and higher-skilled work. It also involves the formalisation of informal work, critical given the poor protections informal workers have during crises like COVID-19. Structural transformation reverses the over-reliance on commodities and fossil-fuel production by focusing on the areas of the economy that increase the possibilities for decent-paying, productive, inclusive, and sustainable employment opportunities.
- Changing ownership structures throughout the economy to reconfigure power relations - to ensure "buy out not a bailout" to benefit lower-income people. Increase participatory budgeting where workers and citizens are allowed to participate in local budgeting.
- Building a new internationalism - our efforts to achieve SDG must take into account our international nature and move towards equality and safe practices when buying goods from other countries.

Against this background, the review of the South African Economic Reconstruction and Recovery Plan does not meet the requirements for sustainable structural transformation. It still focuses on carbon-intensive investments.

The current Economic Reconstruction and Recovery Plan have three phases; that is: Engage and Preserve which includes a comprehensive health response; Recovery and Reform which includes interventions to restore the economy while controlling the health risks; and lastly, Reconstruct and Transform – which entails building a sustainable, resilient and inclusive economy.

The Climate Action Tracker notes that the draft Mining and Energy Recovery Plan centres on direct investments in high-carbon sectors, such as gas, and lacks any 'green' conditions (e.g. any requirements for low-carbon technologies in new infrastructure investments).

Some of the focus areas which are directly related to the climate-resilient economy recovery are food security, energy security and green economy.

The expansion of natural gas and the finalisation of the Petroleum Resource Development Bill are some of the positive developments in the Economic Recovery Plan. Although gas is thought to be transition energy that will provide base power to areas that renewable energy cannot reach, there is a risk of fugitive gases contributing to carbon emissions. Therefore, we need to move away from fossil fuels completely.

On the green economy, there are positive interventions focused, inter alia, biodiversity infrastructure roll-out, retrofitting power stations, forestry projects, and waste management.

Development finance institution should be leading on the financing of the better recovery. There is substantial private capital available for the Green Economy which can be tapped into. The issue is building a "business case" for a Green Economy. Concerning this, the social ownership of the green economy, and how households can produce and sell electricity to the national grid is important.

The need for community consultation and involvement on the recovery process was highlighted. Mr D'sa's emphasised the need for government to takes into consideration the view of communities in their plans for climate-resilient recovery. Ms Matsoha highlighted the section 24 constitutional right of communities to an environment that is not harmful to their wellbeing and health and urged the government to not just consult communities but involve them in the matters that concern them. Ms Matsoha also encouraged a stronger movement to push the government for radical policy change with regards to climate action.

Conclusion and Recommendations

As countries recover from the Covid-19 pandemic, the Global Commission on Adaptation[7] calls on world leaders to incorporate climate resilience into economic recovery packages. The South African government has unveiled the Economic Reconstruction and Recovery Plan which aims to deal with immediate actions towards economic recovery amid Covid-19 and rebuild and grow the economy ensuring sustainability, resilience and inclusion.

The dialogue has indicated that South Africa has not made much progress in terms of the SDG goal 13, as the country is currently behind in its nationally determined contributions, as well as a required legislative environment. The pipeline of coal development projects and granting the oil and gas exploration licenses is indicative of the slow progress on implementing climate action.

Therefore, there was a need for radical policy change to ensure that the country can meet SDG 13 by 2030. The policy recommendation to the end include:

- South Africa needs to urgently shift away from its reliance on fossil fuels and its economic dependency on extractive industries such as mining. Moving towards renewable energy will help the country to meet our NDC targets.
- Review the Integrated Resource Plan 2019, stop the planned building of new coal-fired power plants and reconsider gas as a transition source of primary energy.
- Review the "Operation Phakisa" Oceans Economy initiative, and particularly oil and gas exploration licenses, and ensure community engagement.
- Enact the Climate Change Bill.
- Ensure better coordination between national, provincial and local government levels on climate action and the production of renewable energy.
- Communities and civil society should work together and build a strong movement on climate justice.
- Raise awareness of the carbon content of consumer products and influence consumer behaviour, which is necessary to decarbonise the economy.
- Ensure businesses accountability on climate action and institute plans to reduce the carbon footprint of industries.

A climate-resilient recovery plan requires South Africa to put people first. South Africa's economic recovery plan was too reliant on fossil fuels and the expansion of natural gas will not help in reducing South Africa's carbon emissions to NDC level. The policy recommendation to the end include:

- Pursuing sustainable structural transformation which entails shifting production towards high-value-added, higher productivity, and higher-skilled work. We need to ensure it is inclusive of structural transformation.
- Implement a just transition to a low-to-zero carbon energy system. Ensure community ownership as part of the transition to renewable energy.
- The Energy Security Plan needs to rely on renewable energy, as well as reconsider natural gas as a transition source of energy.
- The Green Economy initiative contained in the recovery plan needs to be more ambitious, and the government should look to the decarbonisation of exports, considering that agriculture and steel are high emitting industries. South Africa must consider exporting renewable energy to the Sub-Saharan region for foreign currency, instead of coal.
- The Green Economy should be complemented with Purple Economy, internalising care costs not valued in our current economic system.
- Government must move towards community consultation and involvement on the recovery process.
- Development finance institutions should focus on the financing of better recovery, as well as an increase in tax on the rich to finance the just recovery.
- We need to change ownership structures throughout the economy to reconfigure power relations.

7 https://unfccc.int/news/call-to-action-for-a-climate-resilient-recovery-from-covid-19

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