A brief analysis of climate change and energy politics in South Africa leading up to Paris COP 21

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Introduction

South Africa is the most conspicuous emitter of greenhouse gasses in Africa, but has managed to remain aligned with the Africa Group, withstanding some strong criticism from African members of the Least Developed Countries group. The Southern African Development Community (SADC) has yet to realise its aspirations for regional cooperation on energy and climate[1] and other SADC countries have not distinguished themselves from the collective of the Africa Group, nor had any discernible impact on South Africa's policy or international positioning. South Africa has presented a decision not to import coal-fired electricity, e.g. from Botswana, as not exploiting 'leakage' – the shifting of emissions (for power for SA) across borders to avoid accountability – though this also constitutes an insistence on the right to burn the 'national resource endowment' of coal regardless of disproportionate emissions to date.

South Africa submitted an Intended Nationally Determined Contribution (INDC) document to the UNFCCC Secretariat before the end of September, giving prominence to adaptation (p.2): "South Africa considers its adaptation component of its INDC to be an important contribution to the global response to climate change", consistent with the position that this should be a standard feature of the INDCs: (p.6): "South Africa views adaptation as a global responsibility" and (p.10): "Equity does not only relate to Parties' respective mitigation actions" (i.e. a national mitigation contribution should not be assessed without consideration of the adaptation burden). As expressed by a senior member of the national negotiating team, the key expectation of this COP is "to deliver political and operational parity between mitigation and adaptation", noting that this emphasis is not about 'giving up on mitigation', but does recognise that COP21 is unlikely to deliver adequate breakthrough on mitigation commitments by those tasked by the Convention to lead in this regard.

The over-all strategy on mitigation in SA positioning reflects a belief that, both from a national and a broader 'developing countries' perspective, there is more to lose than to gain, at least at this time, by making clear and ambitious commitments within the UNFCCC processes; that leadership by example would be foolhardy and forego necessary leverage for securing greater mitigation ambition and/or support for mitigation and adaptation from the most developed and responsible countries. While calling for national contributions to be aligned with climate science and the below 2C temperature goal, the INDC treats ambition as concomitant to national circumstances, rather than an attribute requiring consistency with a desired global emissions outcome. The INDC is thus presented as a progressive position and implies an acceptance that COP21 will not deliver an equity reference framework, in the absence of which (p.8): "South Africa is of the view that its contribution is both fair and ambitious."

Despite having previously supported an approach that would differentiate domestic climate change response by developing countries from actions enabled by international support, the INDC avoids any

[1] There have very recently been some promising developments, particularly with regard to scaling up the deployment of renewable energy technologies, but these have little significance for COP21 and are driven by changes in technology costs far more than concern regarding emissions, though there is a growing recognition of the synergies between addressing inequality and energy poverty and the prioritisation of renewable energy use.

such differentiation, thus ignoring the dichotomy between what may be considered fair (considering national responsibility and capability) and an emissions outcome that would be commensurate with the global temperature goal. This is consistent with energy planning, which has yet to be aligned with climate policy or to contemplate how the national emissions trajectory could be reduced through targeted international support for low-carbon options. Regarding Integrated Resource Planning (IRP) for electricity supply a document published for public comment by the Department of Energy in November 2013 – the IRP 2010-2030 Update Report - did include a scenario for emissions reduction consistent with climate policy, but the Update Report was subsequently renounced by both the Department and the Chair of the Parliamentary Portfolio Committee on Energy. Under the heading "Support component of INDC" estimations are provided of ""the incremental costs of mitigation actions" without citing sources or explaining what would actually be achieved under generic actions such as "Decarbonised electricity supply by 2050" ($349 billion from 2010) and "to expand REI4P in next ten years" (the Renewable Energy Independent Power Producers Procurement Programme, at a cost of $3billion per annum for 10 years).

National Climate Change Policy Development

There is some disconnect between South Africa's published policy on climate change and policy in practice, to some extent replicating such a disconnect at the global level, but also reflecting opposing though poorly defined views and positions at the national level. This is discussed in some detail in a 'Review of Implementation', an NGO publication[2] released at the National Climate Change Dialogue of November 2014, a national conference where the IPCC presented findings of its Fifth Assessment Report and the Department of Environmental Affairs (DEA) published the Mitigation Potential Analysis (MPA) study and sketched a process intended to establish or adopt Desired Emissions Reduction Outcomes (DEROs) a key instrument of mitigation policy, within the first half of 2015.

South Africa adopted the comprehensive National Climate Change Response Policy (NCCRP or White Paper) in October 2011, shortly before hosting the 17th Conference of the Parties to the UNFCCC in Durban. In retrospect it has been treated by government, even described, as aspirational, while some in business have from the time of its adoption insisted that it is unrealistic, even though the policy finally endorsed by Cabinet had in various respects been weakened relative to provisions in the preceding Green Paper, at least in the view of most civil society organisations. The proposed timeframes for elaboration and implementation have not been met and rather than the called for strengthening of the multi-stakeholder forum, the National Climate Change Committee, this has degenerated further from its proposed role and functions, with the last meeting in March 2015 serving only as a rudimentary reporting session by the lead agent – the Department of Environmental Affairs (DEA).

The treatment of climate change in the National Development Plan went through a more pronounced weakening process, from the November 2011 draft NDP 'Vision 2030' to the version endorsed by Cabinet: 'Our future – make it work', retreating from a headline commitment to transition to a low carbon economy, to equivocate on the case for shifting investment by starting the relevant chapter with the key point: "South Africa has a rich endowment of natural resources and mineral deposits, which, if responsibly used, can fund the transition to a low-carbon future and a more diverse and inclusive economy." The final version also omitted the account of "the carbon budgeting approach" as a component of development planning, to "appropriately apportion carbon space to the sectors and activities that add the greatest value," instead presenting carbon budgets, as explained in the INDC, as "an important form of flexibility at the national level."

One could view the shift in approach to carbon budgeting as a processes of aligning national policy with developments under the international negotiations, where South Arica is promoting the adoption of a 5-year budgeting cycle as a mechanism of a binding agreement to be implemented from 2020. Similarly,

[2] Published by Project 90 by 2030, on behalf of the Electricity Governance Initiative SA (in partnership with the World Resources Institute), the Review of Implementation' includes a gender analysis and can be found at: www.90by2030.org.za

a tempering of stated resolve on mitigation may be seen as a necessary process for securing broader buy-in across government and the private sector to any commitment to mitigation, though this interpretation is more credible regarding the finalisation of the White Paper than to subsequent developments. For some commentators the disconnect between formal policy and actual practice is a variation on what is labelled “Talk Left, Walk Right”, alleging systematic hypocrisy on the part of government in talking up the interests of the majority while acting in the interests of capital.

The DEROs were due to be developed in parallel with MoMs: the Mix of Measures, which is to include a carbon tax, proposed to incorporate provisions for off-setting a portion of taxable emissions, thus also initiating carbon ‘trading’. The DEROs & MoMs development process reached a stand-off between government and organised business in the first half of 2015 and the substantial analysis that was undertaken has not been released. The INDC succinctly notes (emphasis added): “The policy instruments *under development* include a carbon tax, desired emission reduction outcomes (DEROs) for sectors, company-level carbon budgets, as well as regulatory standards and controls for specifically identified GHG pollutants and emitters.” Government has not responded directly to various submissions from civil society, including suggestions for outcomes should be deemed desirable, though a key ask is approximated in the INDC explanatory text as: “Decarbonised electricity by 2050”

In addition to the NCCRP, most provinces have some sort of Climate Change Strategy, with the Western Cape having been most pro-active and coordinated in this regard, followed by Gauteng, which also recently established a multi-stakeholder Climate Change Forum. Various municipalities have also developed climate change and/or energy strategies, with eThekwini (incorporating Durban) having the most advanced planning and practical implementation, with a strong focus on adaptation. These sub-national initiatives are mandated by the national policy rather than having significant impact on the development of national policy, particularly in the area of mitigation and energy planning. Intra-governmental coordination remains weak and nothing has been heard from the Inter-Ministerial Committee on Climate Change, presented in the White Paper as a key locus for driving ‘mainstreaming’ and implementation.

The Long Term Adaptation Scenarios (LTAS) process provides a platform for stakeholder engagement, but is a high-level exercise mostly concerned with improving the physical science information base and identifying local impact trends for scoping the scale of adaptation needs. It has been criticised for being too academic, disconnected from impacted communities and lacking the human element, diverting limited resources away from immediate opportunities for building resilience at the local level. As one NGO has explicitly contended, the best thing that could be done for adaptation is to improve the capacity and functionality of local government and service delivery in general, rather than keeping officials engaged in a comfort zone of scientific analysis and long term planning. While the value of the LTAS is recognised on its own terms, it provides another example of climate change response being addressed as an add-on issue, rather than being effectively mainstreamed within existing processes and structures.

The energy mix and planning

South Africa’s energy mix is a product of the dominance of the minerals sector throughout the twentieth century and an energy strategy seeking to monetise abundant coal, primarily through the provisions of low-priced electricity. Energy data collection and management remains a major weakness, with the official statistics for 2006 (published in 2009) considered to be the most reliable. Coal provides roughly 68 percent of primary energy[3], including about 25 percent of input to liquid fuel production, with imported oil and petroleum products at up to 20 percent of primary energy and traditional biomass the next largest component, estimated at around 7-8 percent. The role of gas (imported) has recently grown, facilitated by Sasol building a pipeline to bring gas from Mozambique to Gauteng, primarily to

[3] This is the figure provided by the acting Director General of Energy at a conference in June 2015; recent statements by government officials cover a range from 65% to 75%, with the higher number used in the context of discussing national challenges for climate change response.

substitute for some coal use in liquid fuel production, but is probably still below 3 percent of primary supply, with 1.6-1.8 percent from nuclear and around 1 percent from imported hydropower.

Energy planning has been very disjointed, with no Integrated Energy Plan (IEP) tabled for over a decade, the Liquid Fuels Investment Plan and Gas Utilisation Master Plan repeatedly delayed. A 'South African Coal Road Map', emanating from a process endorsed by the Department of Energy (DoE) and recognised as a component of the IEP process, calls for continued growth of coal use to 2035, claiming that this is necessary for poverty reduction. Aspirational government pronouncements from the Executive suggest unconstrained development of all energy sources, with particular insistence upon a major nuclear procurement, presented as part of the national response to an electricity supply crisis, though in recent months the emphasis in this regard has shifted to fast-tracking infrastructure to import gas, most immediately to substitute for diesel in peaking power plants. Any framing of gas as a transitional or bridging option has been dropped in the enthusiasm for development of 'the gas industry', with importation presented as a short term option to stimulate the development of infrastructure that will enable large-scale use of domestic shale gas.

Government discourse of climate change in SA still foregrounds development needs as a constraining factor for national response in general and mitigation in particular, despite various policies recognising that these imperatives are in fact complimentary, as does the National Development Plan (NDP), though less coherently in its final form than in the 2011 version. The interests that are reflected in policy on paper (and internationally-facing public pronouncements) are different from those that drive infrastructure development and large-scale investments, as reflected in government's evolving interpretation of national mitigation intent, expressed as a 'Peak, Plateau and Decline' (PPD) Range, with decreasing ambition, as documented in analysis by the NGO groundwork.[4]

From the time of her appointment in April 2014 the Minister of Energy has repeatedly referred to an 'Energy Master Plan', with no indication of where this may come from or how it would relate to the IEP process, envisaged when it was publicly launched in May 2012as producing a plan within about two years, the product of which had not been submitted for Cabinet approval by end September 2015. There is a contingent within Treasury that is committed to the introduction of the carbon tax within the forthcoming financial year, but considerable opposition within government (most frankly expressed by officials of the Department of Trade and Industry). Energy planning has treated the carbon tax as an option, at an effective rate of R42- per tonne CO2eq (i.e. without phase-out of exemptions to the base rate of R120 per tonne), which is explored as one of several test cases in the Draft IEP Report (June 2012). Government in general appears to concur with advocacy from the private sector opposing implementation at any rate that might be considered a short-term hindrance to GDP growth.

The introduction of Operation Phakisa – a strategic multi-stakeholder planning process conducted intensively over a period of about five weeks, using a methodology adapted from a Malaysian model for delivering quick results – while still rather ad hoc, will probably provide the most significant indication of government intent, as well as providing a forum for constructive engagement with the private sector in a contained but largely confidential manner, arguably providing a route for by-passing the more inclusive and accountable NEDLAC. It is apparently being formalised as the main implementation mechanism for the NDP, though the reconstituted National Planning Commission (NPC) has yet to have its inaugural meeting (expected in the second week of October, following the first term of the Commissioners having concluded in April), so roles for its Secretariat have yet to be formalised.

The first or pilot 'Phakisa' (an isiXhosa word meaning hurry up) was undertaken by the DEA for the 'blue' or oceans economy and provides a mandate for various activities, including aquaculture, port

[4] "While preparing the national climate policy in 2011, the DEA presented what the PPD range meant in actual emissions. It showed the business-as-usual baseline reaching 750 million tonnes (Mt) of greenhouse gases in 2020 and 870 Mt in 2025. Hence, the Copenhagen offer translated to 495 Mt in 2020 and 506 Mt in 2025. In 2011, emissions were already above these targets and, under intense pressure from business, the DEA cheated the numbers. In March that year, it introduced an 'error range' into the business-as-usual baseline and it widened the error range in August. This was an entirely arbitrary procedure with no technical justification. It produced a very wide PPD range with upper and lower limits. (see www.groundwork.org.za)

expansions and a higher proportion of protected areas, but most significantly for accelerated deep water oil and gas exploration. The 'Mining Phakisa' is expected to start before the end of October 2015 and will be influenced by immediate concerns over domestic coal pricing and supply challenges – including a struggling BEE coal mining lobby – as well as long term supply contracts or the meaning of declaring a 'strategic resource'. While others in the minerals/mining industry could start to perceive the dominance of the coal lobby as a liability, they seem more likely to be united in resisting any internalisation of externalised costs, either directly (e.g. the carbon tax – most of business regards the levy on non-renewable electricity supply as a carbon tax even though on introduction it was linked to non-GHG externalities) or indirectly through binding emissions constraints/standards.

The Intended Nationally Determined Contribution

South Africa's INDC is evasive on mitigation ambition over both the short and long term and makes no reference to synergies between decentralised and renewable energy development and positive social outcomes such as job creation and sustainable localised energy access. It fails to embody a coherent commitment to the global goal of below 2°C, though it does manage not to be clearly inconsistent, even with the Africa Group position of below 1.5°C that SA ostensibly supports. Significant differences between the final and the draft INDC include: the removal of an "aspirational" emissions range for 2050, which was criticised as even the bottom of the range was too high to be consistent with the global goal; removal of any reference to percentage deviations, such as 34 percent below business-as-usual in 2020: "to progress its contribution… South Africa's mitigation component of its INDC moves from a "deviation from business-as-usual" form of commitment and takes the form of a peak, plateau and decline GHG emissions trajectory range."

The most specific quantification of mitigation intent is now: "The national carbon budget range for the period 2021-2025 is 1.99 -3.01 Gt CO2-eq and for 2026-2030 is in the range of 1.99 to 3.07 Gt CO2-eq." No substance is provided to support the claim that "The PPD emissions trajectory range focuses on the trend in emissions over time." However, since emissions in the early 2020s will almost certainly exceed 600 Mt per annum (inter alia due to Medupi and Kusile coal-fired plants under construction and more called for in a current procurement programme seeking to apply the REI4P model), staying within the top of the range - 6.08 Gt for the decade - would require absolute emissions decline to start before 2030. Achieving a middle of the range 5 Gt for the decade would leave little more than 2 Gt for the second half and thus require annual emissions to decline to below 400 Mt in 2030.

The 'Adaptation component of the INDC' is very generic and high-level and strongly focused on economic assessment of adaptation needs, with no discussion of national means of implementation or issues such as providing direct stakeholder access to adaptation funds. Gender considerations are mentioned, once in introductory text, within a list of issues to be taken up under the auspices of the National Climate Change Adaptation Strategy and Plan – yet to emerge from the LTAS process. This is consistent with the White Paper, regarding which the Review of Implementation noted: "Simply recognising women as a vulnerable group falls far short of understanding climate change as a gendered dynamic founded on unequal relations of power… The focus becomes what women can do, rather than… how patriarchy shapes anthropogenic climate change."

It is encouraging that the Spatial Land Use Management Act (SPLUMA) is mentioned in the context of dedicated adaptation planning at a sub-national level, as it could be taken up a useful instrument for mainstreaming climate change response within all development planning. The reference to only two of the IPCC AR5 scenarios (INDC p.5) "Emission scenarios considered are RCP 8.5 (low mitigation) and RCP 4.5 (moderate-high mitigation)" prompted groundwork to comment that "it appears that the South African government… has no firm commitment to keeping warming to less than 2˚C" given that "Only RCP 2.8 gives a reasonable chance of coming in under the 2˚C target in 2100 and even that likelihood fades if climate feedbacks are taken into account. It is less than likely to come in under 1.5˚C." However, this is probably intended to highlight the scale of adaptation that will be required on the basis

on current commitments by Annex 1 parties, thus indirectly asserting the inadequacy of such commitments, as elaborated in a later section asserting that insufficient global mitigation means: "…effectively shifting the burden of climate action onto developing countries."

International negotiations and stakeholder perceptions

South Africa participates in all negotiating groupings for which it is eligible, including the Major Economies Forum (outside the UNFCCC system) and this year is Chair of the largest developing country grouping, the 'G77&China', though in recent years participation in the economic and geo-political BRICS alliance (Brazil, Russia, India, China and SA) appears to outweigh any attempts to forge stronger consensus amongst the most inclusive developing country group. SA is strong player within the Africa Group, though it has been subject to robust criticism by African representatives for failing to champion a 1.5°C global goal. SA has contributed significant capacity to strengthening the Africa Group and sought to counter a tag of 'the USA of Africa', but formal positioning is still redolent of an approach of national exceptionalism, particularly in describing 'National Priorities and Circumstances', with poverty and inequality seen to justify low mitigation ambition.

Characterisations of South Africa's response to climate change cover a broad range even within stakeholder groups, depending upon both the source and the context of the commentary. In the context of public hearings on the carbon tax (by an independent tax review commission), some business representatives claimed that our national emissions trajectory to date is consistent with our international commitments, to support the contention that the carbon tax an unnecessary, as well as an impediment to GDP growth. Others support strong mitigation ambition, but amongst these some propose carbon trading instead of the tax (government has proposed a combination of tax and the trading of off-sets). While there is still a school of thought that putting a price on carbon by any means will exacerbate climate change by entrenching capitalism, most of civil society supports a carbon tax, though not all features of the proposed design.

While there has been much commentary on a national lack of trust and adversarial relations between business and government (one instance being insistence by that revenues from any carbon tax should be ring-fenced for use as incentives to business), an area where many find common ground is in a body of opinion that environmental issues are being used by industrialised countries (or 'the West') as a means of keeping developing countries at an economic disadvantage[5]. An area of divergence is whether this is by deliberate design and specific to the UNFCCC process, or simply an unavoidable dynamic of all multilateral negotiations in a competitive globalised economy. What most of business and government have in common is a failure to move beyond a paradigm that treats sustainability (or specifically climate change response) and development as competing objectives that must be 'balanced', apparently oblivious to critique of the framing of 'Decoupling' economic growth from carbon emissions, when such 'growth' is measured in GDP, even when it is promoted as 'green growth'.

Organised business generically expresses support for the UNFCCC system, though not enthusiasm for the global temperature goal. Amongst business and industry, including the financial sector, the majority behave as though a global mitigation goal of below 2°C is not viable or not relevant to South Africa, arguing that national emissions are negligible in the international context. Few will admit on record that they are reconciled to 3 or 4°C of global warming, but tacit consensus on this is increasingly apparent and there is no visible contingent of the private sector advocating a national agenda consistent with the global goal. It is not clear just how pervasive such views are within government, but many departments are clearly not working for alignment with the 2011 White Paper and are in effect resistant to implementation, most particularly of the carbon tax.

[5] A recent ANC document applies such a framing to international relations more broadly, with a populist critique of western and neo-liberal agendas that is quite inconsistent with prevailing economic policy and practice.

Faith in the UNFCCC process is a fairly scarce commodity across society. The following examples do not cover all civil society activity: the African Climate Reality Project (ACRP – part of a global project initiated by Al Gore) are rallying support for the process and the SA delegation; 350Africa are organising mobilisations to demand greater ambition nationally and internationally; WWF has an international climate team with South African participation but currently no profile in SA, while WWF-SA are engaging critically but quietly, as is the secretariat of SACAN – the South African Climate Action Network; organisations such as groundwork and AIDC submitted highly critical responses to the draft INDC, more on principle than with any expectation of a useful outcome of the UNFCCC negotiations (though recognising the value of the scientific functions and bodies).

Civil society has very limited capacity for campaigning on climate change and the better-resourced organisations are reluctant to risk damaging relationships that have been established with government or to support networking or collective action. Beyond the more mainstream organisations there is growing disdain for UNFCCC processes, seen to be doing more to preserve the status quo than to counter climate change, and several organisations are prioritising support for grassroots struggles against specific fossil fuel projects. Organised labour in SA is mostly internally focused following the splintering of COSATU, has no dedicated capacity or public messaging on climate change and includes elements opposed to scaling back coal use, while the procurement of renewable energy from independent power producers is often described as back-door privatisation.

Conclusion

South Africa 'pulled out all the stops' on climate change in the lead-up to COP17 in 2011 and subsequently hit something of a hiatus, partly no doubt from fatigue, but also due to the passing of a dynamic of national solidarity – promoted in the lead-up as the need to work as 'SA Inc.' – that temporarily neutralised push-back against mitigation policy. Coming to terms with the main outcome of COP17, which for South Africa as the host was bound to be presented as a great success, was perplexing for much of society, given that it was essentially an agreement to negotiate an agreement, within 4 years and to cover a period starting in 8 years' time. While the Durban Platform did not entrench a 'pledge-and-review' approach, de facto acceptance of this has greatly undermined hopes or expectations of the UNFCCC.

South Africa's 'contribution' is carefully calibrated to make what the negotiating team and/or their principals believe can serve as a positive contribution, to a process that is deeply compromised and about a lot more than climate change; one considered by some not to be sufficiently about or focused on climate change, particularly as regards a 2020 Agreement. SA's INDC makes only brief mention of the need for an equity reference framework, despite assurances to civil society that SA is a strong supporter, but at least it cites the lack of such a framework as a key constraint on national ambition. It does reference the PRIMAP tool - a robust web-based tool for analysing responsibility and capability under different effort-sharing approaches - and acknowledge (in a footnote) that this "yields carbon budgets for South Africa that are significantly smaller than the PPD trajectory range."