



Climate Governance

Assessment of the government's ability and readiness to transform South Africa into a zero emissions society

CAT Climate Governance Series

SOUTH AFRICA

December 2020

CAT Climate Governance series

Under the Paris Agreement, governments have committed to limiting temperature increase to well below 2°C above pre-industrial levels and pursuing efforts to limit it to 1.5°C. Achieving this objective will require global greenhouse gas emissions to peak by 2020, reduce by 45% below 2010 levels by 2030 and be reduced to net zero around 2070, with carbon emissions reaching net zero around mid-century, with negative emissions thereafter.

Governments in all countries play a critical role in enabling this transformation, which involves action from all aspects of society and the economy.

The Climate Action Tracker (CAT) tracks the progress of countries towards achieving the climate targets they have set for themselves under the Paris Agreement and what the combined effect of these commitments and policies mean for global temperature levels at the end of this century.

In this series, the CAT expands on its country analysis to evaluate the ability and readiness of national governments to enable the required economy-wide transformation towards a zero emissions society.

Our assessment focuses on national governments and analyses four aspects of governance covering key enabling factors for effective climate action:

- the political commitment of the government to decarbonisation,
- the institutional framework it has put in place to achieve its emission reduction targets,
- the processes it has established to develop, implement and review mitigation policies, and
- its ability and willingness to engage with relevant stakeholders on policy development.

In 2019, we analysed **Argentina, Australia, Indonesia, Kenya, the Philippines** and **South Africa**. In 2020, we updated the **Kenya** and **South Africa** analyses as well as assessed **Ethiopia** for the first time.



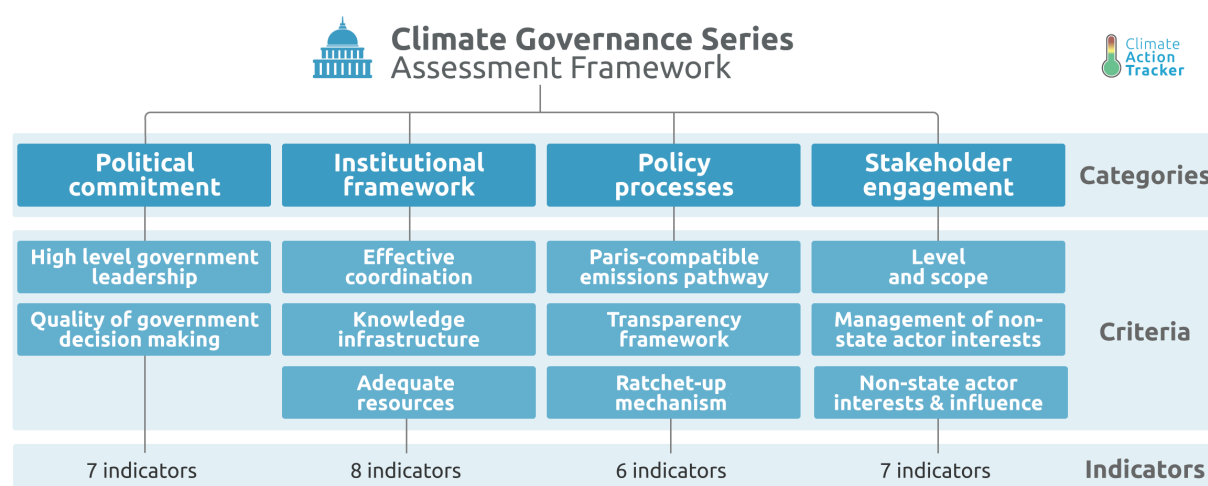
The Climate Governance Series seeks to offer a standardised and replicable approach to assessing a government's ability and readiness to achieve the required transformation, highlighting positive developments and areas for improvement.

<http://climateactiontracker.org/publications/climate-governance>

Legend

Understanding our indicators

This report series seeks to produce a standardised and replicable approach to assessing a country's readiness to transition to a zero emissions society. To achieve this, we have assessed a number of possible indicators under four broad categories and eleven criteria. **Criteria** are marked in bold text throughout this document.



Understanding our rating system

Our rating system highlights positive developments within countries, identifies areas of improvement, and establishes a basis on which to compare climate governance across countries.

Each individual indicator has been assessed and given a score. The categories and criteria linked to those indicators are then given a rating based on those scores.

Very Poor	<p>≤ 20% of possible score This rating indicates that the government is deficient and improvement is necessary.</p>
Poor	<p>20 –40% of possible score This rating indicates that the government is showing a limited level of readiness but improvement is still necessary.</p>
Neutral	<p>40 –60% of possible score This rating indicates that the government is showing some level of readiness, but improvement is still necessary.</p>
Acceptable	<p>60-80% of possible score This rating indicates that the government is showing a good level of readiness, although improvement is still possible.</p>
Advanced	<p>≥ 80% of possible score This rating indicates that the government is functioning well, although improvement is still possible and beneficial.</p>

▀ National level readiness

South Africa's national political commitment towards ambitious climate mitigation is visible but leaves room for improvement. In particular, positive developments can be seen in the leadership of President Ramaphosa and his government, with the political discourse mainly focusing on a Just Transition.

There have been no setbacks in climate policy; on the contrary, new climate laws and policies have recently been launched, although some have been delayed for many years. Overall, both the government and other political actors (i.e. within political parties), could make the transition to a zero-emissions society a higher priority. First steps in the right direction have been taken, for example with the submission of the country's 2050 Low-Emission Development Strategy (LEDS) to the United Nations Framework Convention on Climate Change's Secretariat.

South Africa's institutional framework for climate mitigation is strengthening, although there are key areas that need improvement. While vertical and horizontal coordination structures are in place and there is some mainstreaming of climate policies, sectoral policy planning and overarching national strategies can be better aligned. Despite limited human resources and an insufficient budget, the climate change lead agency has developed and implemented climate policies well.

In terms of policy development, implementation and review processes, South Africa has been showing signs of progress. While the country's Low-Emission Development Strategy formulates the goal of net zero emissions by 2050, the goal is not yet enshrined in law, and current policy measures need to be strengthened to achieve the target. The nation is well on the way to developing a functioning transparency framework; however, existing review functionality is limited, and the system is not yet fully operational. The Paris Agreement target - or NDC - update planned for 2021 will reveal whether South Africa will increase its climate ambition in the short to medium-term.

South Africa encourages broad stakeholder buy-in through its participatory processes and undertakes good efforts to ensure a Just Transition. Consultative policymaking has been a strong part of the political culture in South Africa. However, government efforts to inform the public about the climate crisis could be increased to reach a broader population and strengthen public support for the transition to a zero-emissions society. While climate change content is available and robust, non-state actors on different sides of the spectrum have all been able to drive their respective agendas. Large industries, in particular, are currently exerting their influence, although there are signs that recent developments, such as an increasing cost-competitiveness of renewables, may align interest with a transition by accelerating decarbonisation of the power sector.

One of the most notable developments since the CAT's [last assessment](#) of South Africa's climate governance was the submission of the country's Low Emission Development Strategy (LEDS) to the UNFCCC, which sets the goal of net-zero emissions by 2050 and the establishment of the Presidential Climate Change Coordination Commission (PCCCC). Further, President Ramaphosa indicated that South Africa will submit an updated and more ambitious NDC in 2021. COVID-19 - and the strict lockdown measures imposed by the Government in response to the pandemic - severely impacted the South African economy. Initial proposals by the South African government for economic recovery indicate a focus on carbon-intensive investments instead of prioritising a 'green' recovery (Climate Action Tracker, 2020).¹

¹ The analysis for this report was completed in October 2020.

Category	Criteria	Recommendations
Political commitment	High-level government leadership	<ul style="list-style-type: none"> Strengthen the political commitment to, and prioritisation of, the transition to a zero emissions society – and climate change mitigation more broadly - in national and cross-party agendas, particularly concerning linkages to other national priorities (poverty, unemployment, growth). Ensure that Ministers are mandated by the regulation to deliver on the Sectoral Emissions Targets (SETs). Finalise outstanding legislative framework and regulations such as the GHG Reporting regulations, the Climate Change Bill, carbon budgets and SETs regulations to assist enforcement of climate policy and a Just Transition and strengthen the Department of Environment, Forestry and Fisheries' (DEFF) mandate.
	Quality of government decision making	
Institutional framework	Effective coordination	<ul style="list-style-type: none"> Pass the draft Climate Change Bill and other outstanding legislation and regulations to solidify institutional capacity and processes that will drive the implementation of ambitious climate policy. Allocate sufficient budget and human resources to the Climate Change and Air Quality Branch to strengthen and expand the team responsible for national climate policy.
	Knowledge infrastructure	
	Adequate resources	
Policy processes	Paris-compatible emissions pathway	<ul style="list-style-type: none"> Revise the Peak, Plateau and Decline (PPD) emissions trajectory, specify a pathway to reach the net-zero by 2050 goal, and implement a ratcheting up mechanism and enshrine these items in law. Align sector planning with a more ambitious NDC Update and the country's recently adopted 2050 LEDs. Finalise and align the Integrated Energy Plan (IEP) to the net zero carbon goal by 2050; this is critical in facilitating a low carbon transition in the energy sector.
	Transparency framework	
	Ratchet-up mechanism	
Stakeholder engagement	Level and scope	<ul style="list-style-type: none"> Make better use of the strong evidence base by incorporating the recommendations of scientific analyses in policy, legislation and implementation. Stakeholder feedback from the National Planning Commission's (NPC) Just Transition Process and other processes need to be incorporated in the updated National Development Plan (NDP) and NDC to represent more ambitious versions of a Just Transition that can guide the transition in the country.
	Management of non-state actor interests	
	Exogenous non-state interests and influence	

Contents

Executive summary	1
1 Introduction	4
1.1 Domestic context.....	4
1.2 Climate Governance Snapshot	6
2 National assessment	10
2.1 Political commitment.....	10
2.2 Institutional Framework	12
2.3 Process for policy development, implementation and review.....	14
2.4 Stakeholder engagement.....	15
Authors	18
References	19

1 Introduction

1.1 Domestic context

South Africa has been a democracy since the end of Apartheid in 1994. The African National Congress (ANC) has been the governing party ever since. Following the resignation of Jacob Zuma, Cyril Ramaphosa was inaugurated as President in May 2019 and acts as head of state and head of government. In South Africa, the president is not directly elected but nominated by the National Assembly, the lower house of Parliament.

A major political challenge that South Africa faces is corruption; former President Zuma resigned in 2018 in the wake of a series of corruption scandals including allegations of nepotism, accepting bribes, and misuse of presidential power (Harding, 2017). Although President Ramaphosa is committed to addressing this issue, he has been constrained by factional battles within the ANC and has not made significant changes to his Cabinet, which continues to include Ministers facing allegations of corruption. The public perception of corruption remains relatively high due to the ongoing investigations into the 'state capture'², which includes high ranking ANC officials under Zuma's previous leadership. Most recently, the response to the COVID-19 pandemic brought further cases of corruption, as politicians from the ANC have been implicated in fraud over the supply of personal protective equipment (Schipani et al., 2020).

South Africa can be classified as an advanced upper-middle-income country with a GDP of USD 350 billion in 2019 (World Bank, 2020). It is the third-largest economy in Africa and plays a dominant role in the region (AfDB, 2018b). However, inequality remains a primary concern with 10% of the total population holding 95% of the country's wealth (AfDB, 2018b). The World Bank estimates that South Africa has the world's highest GINI coefficient, implying the country has the greatest dispersion of wealth inequality in the world (World Bank, 2019). Over half of the population currently lives in poverty, while the 2018 unemployment rate stood at 27% (Oxfam, 2018; World Bank, 2019).

South Africa is a major mining economy, with well-developed agriculture, commercial timber, and pulp production sub-sectors. It is a net exporter of energy, mainly coal and petroleum products, exporting mostly to neighbouring countries (Allen et al., 2013; DEA, 2017). The country's energy mix is highly dependent on coal, which accounted for 83% of its electricity generation in 2018 (Energy Department, 2019). While installed renewable energy capacity is relatively low, South Africa has taken steps towards clean energy generation in recent years and this is expected to grow in the future (AfDB, 2018a; Department of Energy, 2019).

The economic structure and energy mix of South Africa is reflected in its emissions profile. The country's GHG emissions (excl. LULUCF) were 550 MtCO₂e in 2015 (Department of Environmental Affairs, 2019a). Energy is responsible for approximately 84% of the country's emissions with industrial processes representing 8% (Department of Environmental Affairs, 2016).

In its first Nationally Determined Contribution (NDC), South Africa set an absolute emissions target in the range of 398-614 MtCO₂e incl. LULUCF over the period 2025-2030 (Government of South Africa, 2016). The Climate Action Tracker (CAT) expects that South Africa's GHG emissions in 2020 will be 9% to 11% lower than 2019 due to the unprecedented slowdown of domestic economic activity and international trade.

The COVID-19 pandemic has exacerbated South Africa's health, social and economic challenges. The country's GDP fell by 16% between the first and second quarters of 2020 (Statistics South Africa, 2020). To stimulate a post-COVID-19 economic recovery the South African government put together a R500 billion (USD31 billion) stimulus package mainly focusing on carbon-intensive investments instead of prioritising a 'green' recovery (Climate Action Tracker, 2020; Investec, 2020).

A poor regulatory environment has led to a high cost of doing business, adding to the severe structural economic challenges the country faces (OECD, 2017). These challenges include high poverty, unemployment and inequality, high inflation, and public debt (AfDB, 2018b). All the major rating agencies recently downgraded South Africa's investment-grade rating to junk status, further

² A type of political corruption where private interests heavily influence state decision-making - to their own advantage.

exacerbating these challenges (Business Maverick, 2020). Climate-related disasters such as drought, flooding, erratic rainfall patterns and extreme storms and fires also exacerbate these challenges. For example, extreme drought between 2015 and 2016, which led to livestock deaths and reduced crop production and consequently escalated food prices and food insecurity for many citizens (Department of Environmental Affairs, 2019b).

Some of the country's most powerful economic actors are also the biggest emitters. Industry bodies represent business interests in policy negotiations through various avenues such as stakeholder processes and bilateral exchange with the government.

There are concerns over the coal industry's influence on environmental decision-making, given its importance to South Africa's energy mix (Worthington, 2015). For example, Eskom, South Africa's largest energy utility and the national grid owner and operator, has consistently supported the coal mining industry by lobbying against government support for independent renewable producers (Makgetla, 2017). However, the company has been crippled by falling sales since 2011, which has weakened its influence and adversely affected the South African economy. Since the COVID-imposed lockdown was lifted, Eskom has had to implement load shedding due to power supply shortages, which had further negative impacts on South Africa's economic recovery.

Eskom's decline has opened the door to the possible formation of a broad-based constituency for decarbonising the power sector. The business sector's interest is likely to contribute to driving this. Further, South Africa's strong civil society can also help ensure the formation of such a constituency. Freedom House, an independent watchdog organisation championing democracy, finds that lawmakers regularly accept input from NGOs. Although conflicting politics often stand in the way of expansive political and public discourse, growing citizen engagement in South Africa still shows promising trends (Transparency International, 2018).

1.2 Climate Governance Snapshot

The **National Climate Change Response White Paper** (NCCRWP – 2011) forms the foundation of South Africa’s current landscape of climate-related policies, strategies, regulations and institutions (Averchenkova et al., 2019). In 2012, the Parliament adopted the country’s overarching **National Development Plan** (NDP) intending to guide and frame all policy and planning processes up to 2030. Climate change is a key element of the plan, which recognises the need for an ‘equitable transition to a low-carbon economy’. In June 2018, the South African government released a **Draft Climate Change Bill**, which would – once enacted – provide a coordinated and integrated response to climate change and establish the legal framework for setting **carbon budgets, Sectoral Emissions Targets** (SETs), and a national emissions reduction trajectory.

In advance of COP 21 in Paris in 2015, South Africa submitted its (Intended) Nationally Determined Contribution (**IINDC**) to the UNFCCC, which identifies South Africa’s intention that emissions should follow a Peak Plateau and Decline (PPD) trajectory: peaking in 2025 within a range of 398-614 MtCO_{2e}, plateauing for approximately a decade before beginning to decline in absolute terms, falling to between 212-428 MtCO_{2e} by 2050. In September 2020 the Cabinet approved the establishment of the Presidential Climate Change Coordination Commission (PCCCC) and submitted the country’s 2050 Low Emissions Development Strategy (LEDS) to the UNFCCC.

Before the COVID-19 pandemic, projections under currently implemented policies estimated that South Africa’s emissions trajectory for 2030 would decrease by around 50% compared to 2020 levels, but would end up at around 33% to 39% above 1990 levels excluding LULUCF. These projections fall well within the PPD. Projections of COVID-19 impacts on future emissions suggest that South Africa’s emissions may decrease further towards 2030 by around 8% to 10% below pre-COVID-19 projections (Climate Action Tracker, 2020).

Despite the delay in the enactment of the Climate Change Bill and alignment of sectoral policies to the NCCRWP, there are some policies, regulations, plans and programmes in place that are intended to deliver emissions reductions. These include the **Renewable Energy Independent Power Procurement Programme** (REIPPP), a competitive procurement programme for renewable energy, and cross-sectoral **carbon tax** (2019) aiming at providing a price signal to producers and consumers of carbon-intensive products (with tax exemptions for up to 95% of emissions during the first phase until 2022) (Climate Action Tracker, 2020).

While other major sector policies such as the **Integrated Resource Plan** (IRP-2019), the Integrated Energy Plan (IEP, draft released in 2016 but not yet finalised); the **Industrial Policy Action Plan** (IPAP – 2018) and the **Green Transport Strategy 2018-2050** point to low-carbon economic growth, there is still a lack of alignment between the objectives set in these sectoral strategies and policy documents and national climate change goals (Averchenkova et al., 2019).



Key Institutions

Department of Environment, Forestry and Fisheries (DEFF)

Lead agency of the government on national climate change plans and actions placed within the Department of Environment, Forestry and Fisheries (DEFF), formerly the Department of Environmental Affairs (DEA).

Inter-ministerial Committee on Climate Change (IMCCC)

The NCCRWP (see below) established the IMCCC to align climate change responses of line ministries with national policies and legislation and to coordinate and oversee the implementation of the NCCRWP.

Intergovernmental Committee on Climate Change (IGCCC)

The IGCCC brings together line ministries as well as other government representatives from provincial and local governments, to promote sectoral, provincial and local government policies with climate policy, thereby fulfilling both horizontal and vertical functions.

Forum of South African Directors General (FOSAD)

FOSAD is a structure targeting the bureaucracy supporting climate policy and brings together Heads of Departments and Directors General from each line ministry to enhance policy alignment, monitor implementation and to provide technical support.

National Climate Change Committee (NCCC)

The NCCC brings together representatives from the business sector, civil society, labour organisations, academia and the government. It aims to promote cross-sectoral coordination on climate policies and actions.

National Planning Commission (NPC)

The NPC is a South African government agency established in May 2010, responsible for strategic planning for the country.

Presidential Climate Change Coordinating Commission (PCCCC)

Approved by Cabinet in September 2020, the PCCCC will coordinate the Just Transition to a low carbon climate and resilient economy and society by 2050. The structure will be represented by government, its social partners, civil society and experts from academia and research institutions.



Key Plans, Strategies & Programmes

National Climate Change Response Policy White Paper (NCCRWP), 2011

The NCCRWP is a comprehensive plan to address both mitigation and adaptation in the short, medium and long term (2050), outlining a Peak, Plateau and Decline (PPD) emissions trajectory.

National Development Plan (NDP), 2012

The NDP is meant to guide and frame all policy and planning for the country up to 2030 and was adopted by the Parliament in 2012. The plan outlines a national vision and sector-specific goals and identifies 15 key challenges together with proposals and actions to address them. The plan acknowledges the need for an 'Equitable Transition to a Low-carbon Economy' (Chapter 5).

2050 Low Emission Development Strategy (LEDS)

Submitted to the UNFCCC in September 2020, the LED Strategy aims at advancing the national climate change and development policy in a more coordinated, coherent and strategic manner. It provides mitigation measures focusing on four key sectors of the economy: energy; industry; agriculture, forestry and land use; and waste. The LEDS states that South Africa commits to ultimately moving towards a goal of net zero carbon emissions by 2050.

Renewable Energy Independent Power Procurement Programme (REIPPP)

The REIPPP is a public procurement programme that allows Independent Power Producers (IPPs) to submit competitive bids to design, develop and operate large-scale renewable energy power plants across South Africa.

Integrated Energy Plan (IEP), not yet finalised

The IEP aims to provide a roadmap for South Africa's future energy landscape and to guide energy infrastructure investments and policy development. A draft version of the IEP was released in 2016, but the document has not yet been finalised.

Integrated Resources Plan (IRP), 2019

The IRP is the long-term plan for power generation from various energy sources in South Africa. The most recent update, which encountered years of delay, was enacted in 2019 and made major allocations for renewable energy.

Industrial Policy Action Plan (IPAP), 2018

The South African Government's overall policy and plans to address the key challenges of economic and industrial growth. The IPAP 2018 is a product of the Economic Sectors, Employment and Infrastructure Development (ESEID) cluster.

Green Transport Strategy (GTS), 2018-2050

The GTS aims to promote a transport system that is environmentally friendly and helps boost economic growth and create jobs. Its goals include facilitating low carbon fuels by 2022, promoting fuel economy standards and ensuring a shift from road to rail transport.



Targets

Nationally Determined Contribution (NDC)

Economy-wide emissions capped at 398-614 MtCO₂e in 2025-2030 (incl. LULUCF) (415-631 MtCO₂e excl. LULUCF). The South African government is planning to strengthen the NDC in 2021.

Sectoral Emission Targets (SETs)

SETs have not yet been adopted. However, once adopted, the Draft Climate Change Bill will establish a framework to set sectoral emissions reductions targets every five years.



Key Laws & Regulations

Draft Climate Change Bill, 2018

The Draft Bill, released in June 2018, would provide the coordinated and integrated response to climate change with the principles of cooperative government. The Bill seeks to establish the framework for setting carbon budgets, sectoral emissions targets and a national emissions reduction trajectory. The draft of the Bill has been out for public comment for two years and is still not finalised.

Carbon Tax Act, 2019

Signed into law and in effect from June 2019, the first phase of the tax will operate until 2022, when it will be succeeded by the second phase (2023-2030). The Act sets up a tax for carbon dioxide and other greenhouse gas emissions.

Carbon budgets

Designed by the Department of Environmental Affairs (DEA), the series of carbon budgets are envisaged to provide a GHG emissions allowance (or cap), against which physical emissions arising from the operations of a company during a defined period will be tracked. In the period to 2020, the carbon budgets will not be a compliance instrument but rather will be used to increase understanding of the emissions profile of participating companies, and to establish monitoring, reporting, and verification (MRV) processes. Beyond 2020, they are expected to become compulsory.

National Greenhouse Gas Emission Reporting Regulations, 2017

The regulation foresees that a company or process which emits more than 0.1 Megatonnes (Mt) CO₂-equivalent per year must submit the greenhouse gas emissions and activity data to DEFF by 31 March every year.

National Pollution Prevention Plans Regulations, 2017

The regulation foresees that any company or process exceeding the threshold of 0.1 Megatonnes (Mt) CO₂-equivalent per year must submit pollution prevention plans (PPPs) to demonstrate how they plan to achieve emissions reductions and annual progress reports to monitor and evaluate the implementation of their PPPs.

The National Environmental Management: Air Quality Act 34 of 2004

The Act seeks to regulate air quality and protect the environment. It provides the overarching legislation under which the GHG reporting regulations and PPPs were developed.

2 National assessment

2.1 Political commitment

Political commitment

High-level government leadership

Quality of government decision making

South Africa's national political commitment towards ambitious climate mitigation is visible but leaves room for improvement. Particularly positive developments can be seen in the leadership of President Ramaphosa and his government. There have been no setbacks in climate policy; on the contrary, improvements can be observed. However, there are sometimes severe delays in implementation. The transition to a zero emissions society can be given higher priority both within the government and throughout the party system.

High-level government leadership can be a driving force for stimulating economy-wide transformational changes and increasing climate mitigation ambition through top-down strategy setting and sending effective policy signals. The South African government has shown some support in enhancing climate ambition and driving the transition to a zero emissions society. It is important to note that, while the political discourse has a strong emphasis on a Just Transition, there is very little focus on ensuring a transition to net-zero emissions. Recent developments, such as the adoption of the country's 2050 LEDES, suggest this may change.

Both President Ramaphosa and the executive have shown good efforts towards the transition. At the UN Secretary General's Climate Summit General Assembly in September 2019, the President announced South Africa's commitment to enhance mitigation ambition up to 2030 with an NDC update by the end of 2020³. In his speech, President Ramaphosa identified a number of key policy actions to enhance ambition, including additional investments in renewables, decommissioning old coal power plants, and operationalising a Just Transition Transaction (Presidency of the Republic of South Africa, 2019).

In September 2020, the Cabinet approved the Presidential Climate Change Coordinating Commission (PCCCC) that will coordinate and oversee the Just Transition (Department of Environment Forestry and Fisheries, 2020). Also in September 2020, the Cabinet submitted South Africa's 2050 Low Emissions Development Strategy (LEDES) to the UNFCCC.

The LEDES outlines the country's pathway to net-zero emissions by 2050 (Department of Environment Forestry and Fisheries, 2020). The fact that the LEDES received full Cabinet approval suggests that support within the executive for a net zero transition is increasing. However, the LEDES is still tentative in terms of how net zero emissions will be achieved, as the following excerpt shows: "*We thus commit to ultimately moving towards a goal of net zero carbon emissions by 2050 [...]. This goal, how it will be achieved to ensure a Just Transition, and how the economic advantages of the transition will be maximised, will be formally communicated in future iterations of this strategy*" (Republic of South Africa, 2020).

The Department of Environment, Forestry and Fisheries (DEFF, formerly the DEA), is the lead agency for climate change in South Africa, as outlined in the National Climate Change Response Policy (NCCRP) (Government of South Africa, 2011a). While DEFF has the mandate for climate policy and Just Transition it has limited political clout and authority over other line departments due to a weak legislative basis.

The Climate Change Bill is expected to strengthen DEFF's legislative basis for driving a just transition but a draft of the Bill has been out for public comment for two years and is still not finalised (Department of Environmental Affairs, 2018). Similarly, amendments to existing reporting regulations, which will enhance the stringency of reporting requirements and improve the basis for

³ Due to the postponement of COP26, the NDC update is now scheduled for 2021.

allocating company-level carbon budgets from 2021, have been released for public comment but are not yet finalised either (Department of Labour, 2017; Air Quality Act (39/2004): National Pollution Prevention Plans Regulations, 2017).

Once the Climate Change Bill has been enacted, the regulations for carbon budgets and SETs can be developed. These developments would significantly strengthen the legislative and regulatory basis for DEFF to enforce action, but it is unclear as to when these will be finalised.

The transition to a zero emissions society is increasingly becoming an issue for the South Africa government, although it does not seem to be a priority and it is still one of many areas the government is engaging on.

While the National Development Plan (NDP) 2030, the National Climate Change Response White Paper (NCCRWP) and the NDC highlight the need for a Just Transition to a climate-resilient, low carbon economy, no mention in these documents is made of a net zero transition (Government of South Africa, 2011b, 2016). However, recent developments, such as the approval of the 2050 LEDS or the establishment of the PCCCC, suggest the transition to net zero is becoming a stronger government priority (Department of Environment Forestry and Fisheries, 2020; Republic of South Africa, 2020).

The **quality of government decision making** at the highest levels is a key factor in implementing ambitious climate policies as national governments provide resources and direction for lower levels of government and can stimulate horizontal dynamics through mainstreaming, lesson-drawing, and cooperation (Jänicke et al., 2015). The assessment of the quality of government decision making in South Africa shows some positive and negative results.

Climate policy has been relatively stable over the last ten years and has gradually become more comprehensive. New climate legislation in the form of the Climate Change Bill, as well as updates to the reporting regulations, are underway. However, there have been considerable delays in the development of these policies, which – in combination with a lack of ambition – are a threat to the efficacy of the climate policy regime in South Africa. On the positive side, however, the Cabinet approved South Africa's 2050 LEDS in September 2020 (Department of Environment Forestry and Fisheries, 2020). The government is also developing the NDC update, which was scheduled for COP 26, but will now be released in 2021 (Climate Action Tracker, 2019).

While there was major progress in the implementation of South Africa's Renewable Energy Independent Power Producer Procurement Program (REIPPPP) in the first half of the decade, the lack of continuity of the programme has put its future in doubt. The latest Integrated Resource Plan (IRP), which was finally enacted in 2019 after years of delay, made major allocations for renewable energy. In September 2020, the Minister of Energy made a further determination of 11,813 MW, of which 6800 MW is allocated for renewables (Department of Mineral Resources and Energy, 2020).

There is limited political support for the transition to a zero emissions society in South Africa. The 2019 election manifestos of South Africa's three main political parties show that climate change is still a marginal topic in the political discourse of the country, mainly highlighting the need for South Africa to invest in a Just Transition and establish a framework for this. While the manifestos address South Africa's responsibility to reduce emissions, the need to adapt to climate change impacts, and the need to capitalise on the job opportunities that emerge from acting on climate change none of the three manifestos makes any mention of a net zero transition.

The South Africa government has a poor track record of timely delivering of climate policy, evidenced by the multiple delays of various climate policy instruments over the last decade. Although the government intended to implement most features of the 2011 NCCRWP within three years of publication of the policy, all components have encountered major delays. These include the GHG emissions reporting regulations and voluntary carbon budgets (PPPs), which were finally enacted in 2017 after years of delay, and the Renewable Energy Independent Power Procurement Programme (REIPPPP), which despite a successful phase of implementation from 2011 to 2015 stalled up until the Ministerial determination for Bid Window 5 in September 2020 (Department of Mineral Resources and Energy, 2020). The carbon tax was finalised in 2019 after many years of delay. Further evidence of the challenges that DEFF is experiencing in delivering climate policies are the delays in updating the reporting regulations, which were released for public comment in October 2019; the Climate Change Bill, which was released for public comment in 2018; and the carbon budgets and SETs regulations, which can only be finalised once the Climate Change Bill has been passed.

2.2 Institutional Framework



South Africa's institutional framework for climate mitigation is showing signs of strengthening, although there are key areas that need improvement. While South Africa benefits from solid research as a basis for climate policy, the extent to which advice is considered for policymaking could be improved. Despite limited human resources and an insufficient budget, institutional strengthening of climate-related facilities can be observed.

Effective coordination across ministries and agencies as well as with sub-national governments affects the ability of actors to align overarching climate policy targets efficiently and consistently. While there is some degree of vertical and horizontal coordination structures as well as mainstreaming in place in South Africa, the alignment of sectoral policy planning with overarching national strategies can be improved.

Vertical coordination of transition-related actions between national and subnational governments is operational, but with moderate efficacy. The Intergovernmental Committee on Climate Change (IGCCC) is the primary structure through which DEFF seeks to achieve vertical coordination of climate policy between the three levels of government (national, provincial and local). Provincial and local governments, as well as bodies such as the South African Local Government Association (SALGA), participate in the formulation of national climate policy and are expected to align their policies and budgets with national climate policy.

Although the IGCCC represents the appropriate structure to promote vertical integration, its efficacy and influence are limited (Averchenkova et al., 2019). While all provincial governments have developed climate change strategies, the mainstreaming and implementation of these show mixed progress. Big metropolitan governments generally show good progress, but this is not the case for smaller local governments (Averchenkova et al., 2019).

Likewise, horizontal coordination structures exist, but they have not significantly influenced the policy and planning of line ministries. There are three main fora for inter-ministerial coordination (Averchenkova et al., 2019):

- 1) The Inter-Ministerial Committee on Climate Change (IMCCC), which is an executive-level committee, chaired by the Minister responsible for the environment portfolio and brings together Ministers from other line ministries affected by national climate policy;
- 2) The Intergovernmental Committee on Climate Change (IGCCC), which brings together line ministries and government representatives from provincial and local governments, thereby fulfilling both horizontal and vertical functions; and
- 3) The Forum of South African Directors General (FOSAD), which targets the bureaucracy supporting climate policy and brings together Heads of Departments and Directors General from each line ministry to enhance policy alignment, monitor implementation and to provide technical support.

Further, the Medium-Term Strategic Framework (MTSF) aims to bring policy coherence, alignment and coordination across government plans as well as alignment with budgeting processes." (Government of South Africa, 2014)

While most ministries consider the Just Transition in their policy development, most use the NDP, the Paris Agreement and South Africa's NDC as a reference point and cite a Just Transition to a climate-resilient low carbon economy, with no reference to a net zero vision. Further, although line ministries sometimes reference the Just Transition, their decisions are frequently not in line with it and even less so with a net zero future. An example of this is the Department of Mineral Resources and Energy (DMRE), which is one of the most important government departments in facilitating the country's transition but has stalled the progress of the REIPPPP and continued to show support for coal and plans to build a new oil refinery.

Only minimal coherence can be observed when assessing the alignment of line ministries' policy actions with overarching national strategies and targets, such as the country's NDC and the recently published 2050 LEDS. There is a need to urgently align sectoral policies and actions with the net-zero vision outlined in this latter document.

The 2011 and 2019 Integrated Resource Plan for Electricity (IRP) both include some constraints on emissions. Both plans also made provisions for fossil fuels, which would make it difficult for the country to achieve its PPD emissions trajectory range as outlined in NCCRWP and NDC (Department of Energy, 2011, 2019).

Although the Industrial Policy Action Plan (IPAP, 2018) makes mention of the PPD and South Africa's commitment to the Paris Agreement, primarily in a section on green industries, it does not provide a comprehensive decarbonisation strategy for industry (Department of Trade and Industry, 2018).

The Green Transport Strategy aims to lower GHG emissions, enhance the contribution of transport to the green economy, promote green sustainable mobility and increase the uptake of cleaner and more efficient technologies. The Strategy aims to contribute to South Africa's commitment under the Paris Agreement but does not have a zero emission target (Department of Transport South Africa, 2018).

Another important criterion is the existence and utilisation of a **knowledge infrastructure capable of supporting strategic planning and policy development**, as this aids in the elaboration and application of decarbonisation analyses in climate policy development. The present analysis suggests that the South African government offers good support for transition-related advice but could improve its consideration of this advice in decision-making processes.

The South Africa government supports the development of transition-related advice especially through DEFF, which has a history of commissioning robust research as the basis for climate policy. These include the 2014 Mitigation Potential Analysis (Department of Environmental Affairs, 2014), which is currently being updated (to be finalised in 2020), the Policy and Measures (PAMs) study in 2018 and the Carbon Budgets Final Report in 2017 (DNA Economics & The Green House, 2017).

DEFF also commissioned the National Employment Vulnerability Assessments (NEVAs) and Sectoral Job Resilience Plans (SJRPs), which were mentioned in the NCCRWP and are being developed by the research institution TIPS. While these pieces of work are conducted by credible, independent academic, research and consultancy organisations, they develop the evidence base for a Just Transition up to 2050 but not a net zero vision. Funding from German Corporation for International Cooperation's (GIZ) Climate Support Programme, which is now in its third phase, has enabled DEFF to commission numerous studies for more than five years (German Federal of the Environment, 2020).

While robust analyses and advice are available, the government does not consistently consider them. The National Planning Commission (NPC) facilitated a Social Partner Dialogue for a Just Transition: a comprehensive stakeholder process to establish a Just Transition for the country. The stakeholders involved in the process identified a net zero vision for the country by 2050. The results of the process are yet to be finalised and it remains to be seen whether this will be incorporated into a policy position, particularly whether it is addressed in the NDC update and the Climate Change Bill.

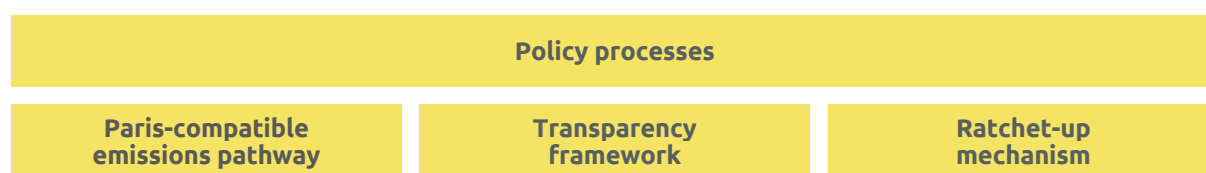
Capital and resource constraints are significant barriers to effective climate governance and have impeded developing countries in the past (Bhave et al., 2016). **Adequate resources and capacity** need to be made available to implementers and efficiently used in climate policy processes. While the lead agency for climate change action has limited resources, there is evidence of institutional strengthening for climate-oriented policy development.

DEFF has limited resources to drive the Just Transition in South Africa. The Chief Directorate gets the operational budget for the climate change team, but no government budget for climate change projects. As such, the climate change function in the branch fully relies on donor funding, mainly from the GIZ. The DEFF is relatively small compared to other departments and has approximately 40 posts working on climate change issues. Although the branch has a wide range of policy development and implementation tasks, it has a small team of permanent staff and as well as additional contract staff. While the team is capable and gradually conducting more activities in-house it still relies on external consultants for various activities in the development and implementation of the mitigation system (DEA, 2018). Because capacity is thin, the department is heavily impacted when it loses a key staff member, which has happened several times in recent years. The lack of resources is indicative of

climate change remaining a marginal issue in terms of budget allocation and mainstream policy development.

The South African government and climate change lead agency has seen institutional strengthening concerning climate-oriented policy development. From the inception of the NCCRWP, DEFF has embarked on a learning-by-doing approach to develop and implement climate policy; for instance, through developing the M&E system, the GHG emissions reporting regulations, and PPPs. DEFF has also developed in-house modelling capacity to reduce reliance on consultants. However, the DEFF's ability to deliver on its mandate is severely weakened when key members of the team leave.

2.3 Process for policy development, implementation and review



While South Africa has formulated the goal to transition to net zero by 2050, current policy measures and legislation are insufficient to achieve the target. The country is well on the way to developing a functioning transparency framework, but existing review functionality is limited. The NDC update planned for 2021 will reveal whether the nation will increase its ambitions in the short to medium-term.

A defined Paris-compatible decarbonisation pathway is an important component to aid the long-term planning for, and alignment with, the Paris Agreement's overall objectives. While the South African LEDES sets a long-term goal for decarbonisation, this goal has not yet been enshrined in law and adequately considered for short-term decision making.

South Africa's NDC, which includes targets for 2050, is not compatible with a Paris 1.5°C pathway (Government of South Africa, 2016). The NDC update – expected in 2021 – may enhance ambition, as indicated by President Ramaphosa at the UN Climate Summit (Presidency of the Republic of South Africa, 2019). The 2050 LEDES, which was finalised in September 2020, includes the goal to transition to net zero by 2050, although the wording is tentative.

Also, the details of how South Africa will achieve net-zero emissions will be only provided in future iterations of the LEDES, which is considered a living document (Republic of South Africa, 2020). While the NPC's Just Transition process is explicit about a 2050 net zero vision, this is a non-binding stakeholder process and it remains to be seen whether and to what extent its outcomes will be taken into account in political decisions (National Planning Commission, 2019).

Medium-long-term planning documents in key sectors, such as the IRP (electricity), IPAP (industry) and Green Transport Strategy (transport) make mention of the need to align themselves with South Africa's commitment to the Paris Agreement, but only occasionally consider decarbonisation targets for near-term policy development and implementation (Department of Trade and Industry, 2018; Department of Trade and Industry of South Africa, 2017; Department of Transport South Africa, 2018).

A comprehensive Climate Change Bill, which would significantly improve the legislative basis for climate policy, is under development (Department of Environmental Affairs, 2018). There have been considerable delays in the finalisation of the Bill since its last release for public comment in 2018. Once the Climate Change Bill is adopted, the carbon budgets and SETs regulations will need to be developed to enable the implementation of certain clauses of the Climate Change Act.

The GHG Emissions Reporting Regulations have also been updated and released for public comment, but they too have not been finalised (Department of Environmental Affairs, 2017; Air Quality Act (39/2004): National Pollution Prevention Plans Regulations, 2017). These would also need to be re-published to align to the new Climate Change Act, as soon as it is enacted. While these pieces of legislation and regulation would establish a far more fit-for-purpose legislative environment, the delays in finalising them are causes for concern, as it makes implementation almost impossible.

The current legislation supporting climate policy is spread among a number of pieces – including the National Air Quality Act, the GHG Emissions Reporting Regulations and the PPPs regulations – with none of them leading to direct emissions reductions, and therefore unfit to facilitate the decarbonisation of the South African economy. The PPPs, a voluntary carbon budgets exercise, is intended to inform the design and implementation of mandatory carbon budgets. After years of delay the Carbon Tax, developed by the National Treasury, came into force albeit at a low effective tax rate. Due to COVID-19’s severe impact on the economy, first payments of the carbon tax were postponed from July to October 2020 (for the period that ended in December 2019).

An **enhanced transparency framework mechanism** is necessary to track progress towards achieving emission reduction targets in line with the Paris Agreement, as well as providing checks and balances for the government’s climate commitments.

South Africa has an operational transparency framework, though there is still room for improvement. The country’s climate change monitoring and evaluation (M&E) system is currently in the third phase of a four-stage process that, when fully functional, will monitor and evaluate GHG emissions, mitigation and adaptation responses and track climate finance. The current system maps data and information flows, has a web-based platform, includes standardised MRV approaches and guidelines and houses an information repository. The system is now being extended to incorporate existing domestic reporting processes, improve data analytics and visualisation and roll out a fully operational system. In addition to the M&E System, DEFF has to report on the progress of the Paris Agreement Pledge to the Department of Planning, Monitoring & Evaluation through the Medium Term Strategic Framework (Outcome 10) (Department of Environmental Affairs, 2010).

Although South Africa’s NDC outlines the need for periodic domestic reviews, an effective review mechanism is not in place (Government of South Africa, 2016). The domestic reviews the NDC calls for serve to assess the efficacy of domestic policy instruments, such as carbon budgets, and adjust instruments to ensure domestic action remains in line with the PPD range. The NDC also identifies that the PPD range could be revised based on new information and mitigation options, but the range has not yet been updated. However, the draft Climate Change Bill makes provisions for the reviews to take place.

There is no formal **ratchet mechanism** for climate action in South Africa. However, President Ramaphosa indicated that the country would enhance ambition by submitting an updated NDC in 2021. Further, South Africa’s first NDC agrees with the principle of no backsliding and mentions the need for reviewing and updating the NDC. It remains, however, to be seen whether the updated NDC will set more ambitious climate targets.

2.4 Stakeholder engagement



South Africa encourages broad stakeholder buy-in through its participatory processes and undertakes good efforts to ensure a Just Transition in the country. The efforts of the government to raise awareness about the climate crisis could be increased to reach a broader population and strengthen public support for the transition to a zero emissions society. While climate change content is available and robust, non-state actors on different sides of the spectrum have all been able to drive their respective agendas. Large industries in particular are currently exerting their influence, even if a turnaround of priorities is in sight.

The government’s **level and scope of engagement** with stakeholders reflect how well it is aware of external knowledge and the expectations of its constituents. Consultative policymaking has been a strong part of the political culture in South Africa since democracy and stakeholders participate in climate change-related policymaking. However, political influence is unevenly distributed across stakeholders and awareness-raising campaigns could be expanded to reach a broader section of the population.

The government undertakes efforts to generate and disseminate public knowledge on a transition to a zero emissions society. For example, the NCCRWP cites the importance of including climate change in curricula in schools, universities and technical colleges and making climate-relevant information available to the public and effectively communicating it (Government of South Africa, 2011a). DEFF also has a team focusing on awareness-raising. South Africa's NDC highlights that a communication, education and awareness framework for climate change will be implemented (Government of South Africa, 2016). A training programme for teachers, which uses the South Africa 2050 pathways calculator, has started in some provinces (Department of Environmental Affairs, 2015). However, there is room for improvement as climate change remains a marginal issue in the broader public discourse.

The South African government regularly and actively seeks meaningful buy-in. The National Committee on Climate Change (NCCC) and the National Economic Development and Labour Council (NEDLAC) are the primary bodies for facilitating stakeholder participation in climate policy (Government of South Africa, 2011a). In addition, the South African government regularly organises stakeholder workshops at national, subnational levels and parliamentary hearings where stakeholders can make presentations related to climate policy decision-making, as was the case with the NDC (Parliamentary Monitoring Group, 2015a). Another example is the NPC's Just Transition process, a stakeholder process to establish a vision for a Just Transition in South Africa which is aimed at informing policymaking (National Planning Commission, 2019).

The **management of non-state actor interests** is another important consideration, as it depicts whether governments have succeeded in addressing resistance created by vested interests as well as communicating the fairness of their policies to the public. An assessment of the ability to manage non-state actor interests reveals how much public support or opposition policies receive.

The South African government undertakes good efforts to ensure a Just Transition in the country. The NCCRWP, NDP and NDC acknowledge the need for a Just Transition to a low carbon, climate-resilient future. The NPC's Just Transition Process resulted in a vision for a Just Transition in the country by 2050 (National Planning Commission, 2019). It remains to be seen how this vision, which was developed in a stakeholder process, will be taken up by policy.

Non-state actor interests and influence also have the ability to shape government policies, either to accelerate or impede the speed of the transition to a zero emissions society. Such influence may come from groups directly affected by the transition, either positively or negatively, or from the general public. An important consideration is to what extent these stakeholders can access and utilise country-specific analyses to influence the policy agenda. In South Africa, non-state actors have some influence on decision-making processes, in particular when they represent big economic interests.

There is some public support for the transition to a zero emissions society but mainly within given climate policy processes, such as the NPC's Just Transition Process. Outside these processes, there is no broad-based public support for a zero emissions transition, nor is there opposition to it. However, growing evidence suggests that the business community in South Africa is beginning to incorporate the downside risks that climate change poses to their operations more seriously. They are thus beginning to play a more proactive role in driving a transition, but are moving slowly.

Civil society organisations and trade unions are also some of the strongest advocates of a Just Transition, but they either lack a broad constituency or prioritise protecting the jobs of members such as coal miners (Parliamentary Monitoring Group, 2015a). Communities and traditional authorities predominantly focus on the need to enhance the resilience of rural communities to the impacts of climate change through adaptation.

There are multiple studies on a Just Transition available that can support stakeholders to drive planning, lobbying, and goal setting. Considering the strong domestic evidence base, more progress could be made with leveraging this evidence to drive policy action. In addition, more studies focused on the transition to a zero emissions society are needed to enable stakeholders to plan for such a transition.

Given the structure of South Africa's economy, some of the most powerful economic non-state actors are also the biggest emitters, which regularly influence the decision-making process in South Africa. Industry bodies such as the Chemical and Allied Industry Association (CAIA) and Business Unit South Africa (BUSA), represent business interests in policy negotiations through various avenues such as

stakeholder processes and bilateral meetings with the government (Parliamentary Monitoring Group, 2015b, 2015a).

The integrated energy and chemical company Sasol and other big emitters have been particularly active in shaping the position of BUSA to represent that of the large industries. This has led to delays and the watering down of climate policy and supporting legislation and regulation. For instance, the reporting regulations do not include facility-level reporting, the Pollution Prevention Plans have essentially become voluntary carbon budgets that do not enforce emissions reductions, and the rate of the carbon tax is low with tax exemptions for up to 95% of emissions during the first phase until 2022 (Climate Action Tracker, 2020).

At the same time, with the increasing electricity price, the cost competitiveness of renewables and other international developments, the dynamics within large businesses in South Africa have started to change in recent years (National Business Initiative, 2020) and may align interest with a transition particularly in terms of the decarbonisation of the power sector.

These changing dynamics are demonstrated by recent developments - for example some members of the Energy Intensive Users Group (EIUG), such as Sasol, are now releasing a request for information for renewable energy projects that will feed up to 600 MW into their operations (Sasol, 2020). In addition, civil society and labour unions have supported renewable energy on the condition that jobs of coal miners are protected (EGSA, 2020).

Authors



NewClimate Institute

Michael Boulle (Change Pathways)
Silke Mooldijk
Lukas Kahlen
Swithin Lui
Niklas Höhne



Climate Analytics

Deborah Ramalope
Claire Stockwell
Bill Hare

The Climate Governance Series is made possible due to generous support from the ClimateWorks Foundation.



The Climate Action Tracker (CAT) is an independent scientific analysis produced by two research organisations tracking climate action since 2009. We track progress towards the globally agreed aim of holding warming well below 2°C, and pursuing efforts to limit warming to 1.5°C.

climateactiontracker.org

The Consortium



NewClimate Institute is a non-profit institute established in 2014. NewClimate Institute supports research and implementation of action against climate change around the globe, covering the topics international climate negotiations, tracking climate action, climate and development, climate finance and carbon market mechanisms. NewClimate Institute aims at connecting up-to-date research with the real world decision making processes.

newclimate.org



Climate Analytics is a non-profit climate science and policy institute based in Berlin, Germany with offices in New York, USA, Lomé, Togo and Perth, Australia, which brings together interdisciplinary expertise in the scientific and policy aspects of climate change. Climate Analytics aims to synthesise and advance scientific knowledge in the area of climate, and by linking scientific and policy analysis provide state-of-the-art solutions to global and national climate change policy challenges.

climateanalytics.org

- https://www.bbc.co.uk/news/resources/idt-sh/Trials_of_Jacob_Zuma
- Investec. (2020). *SA's "big bazooka" stimulus package explained*.
- Jänicke, M., Schreurs, M., & Töpfer, K. (2015). The Potential of Multi-Level Global Climate Governance. *Institute for Advanced Sustainability Studies (IASS) Policy Brief*, 2, 1–12. <https://doi.org/10.2312/iass.2015.021>
- Makgetla, N. (2017). *THE CRISIS AT ESKOM AND INDUSTRIALISATION*. 1–27.
- National Business Initiative. (2020). *Online Launch of the NBI Just Transitions Pathways Project*.
- National Planning Commission. (2019). *Social Partner Dialogue for a Just Transition (draft proposal - version 2) 2050 Vision and Pathways for a Just Transition to a low carbon, climate resilient economy and society*. Republic of South Africa: Department of Planning, Monitoring and Evaluation.
- OECD. (2017). *OECD Economic Surveys: South Africa 2017* (Issue July). Organisation for Economic Co-operation and Development (OECD). https://doi.org/10.1787/eco_surveys-zaf-2017-en
- Oxfam. (2018). *OXFAM ANNUAL REPORT 2017 - 2018*. https://www-cdn.oxfam.org/s3fs-public/file_attachments/oxfam_annual_report_2017-2018_final_2.pdf
- Parliamentary Monitoring Group. (2015a). *Climate Change: public hearings day 1*.
- Parliamentary Monitoring Group. (2015b). *Climate Change: public hearings day 2*.
- Presidency of the Republic of South Africa. (2019). *Statement by H.E. President Cyril Ramaphosa of South Africa to the United Nations Secretary-General's Climate Summit, 23 September 2019*. Republic of South Africa: Department of International Relations and Cooperation.
- Air Quality Act (39/2004): National Pollution Prevention Plans Regulations, Pub. L. No. 40996, Government Gazette (2017).
- Republic of South Africa. (2020). *South Africa's Low-Emission Development Strategy 2050*.
- Sasol. (2020). *Sasol invites bidders for supply of renewable energy to its South African Operations* Title.
- Schipani, A., Coterill, J., & Munshi, N. (2020, September). Africa's Covid-19 corruption: 'Theft doesn't even stop during a pandemic.' *Financial Times*.
- Statistics South Africa. (2020). *Steep slump in GDP as COVID-19 takes its toll on the economy*.
- Transparency International. (2018). *Corruption Perceptions Index 2018*.
- World Bank. (2019). *World Bank Open Data*. <https://data.worldbank.org/>
- World Bank. (2020). *South Africa*.
- Worthington, R. (2015). *A brief analysis of climate change and energy politics in South Africa leading up to Paris COP 21. October*, 1–7. https://www.boell.de/sites/default/files/uploads/2015/11/analysis_of_cop_21_south-africa_positioning.pdf