



TOWARDS AN EFFECTIVE SOUTH AFRICAN CLIMATE CHANGE RESPONSE POLICY

CONFERENCE STATEMENT

6 MARCH 2009

Preamble

In July 2008, Government outlined its vision for climate policy in the following terms:

1. "In designing our policy for the transition to a climate resilient and low-carbon economy and society, we will balance our mitigation and adaptation response.
2. Our climate response policy, built on six pillars, will be informed by what is *required by science*, namely to limit global temperature increase to below 2°C above pre-industrial levels. The six policy direction themes are:
 - Theme 1: Greenhouse gas emission reductions and limits;
 - Theme 2: Build on, strengthen and/or scale up current initiatives;
 - Theme 3: Implementing the "Business Unusual" Call for Action;
 - Theme 4: Preparing for the future;
 - Theme 5: Vulnerability and Adaptation; and
 - Theme 6: Alignment, Coordination and Cooperation.

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3. We will continue to pro-actively build the knowledge base and our capacity to adapt to the inevitable impacts of climate change, most importantly by enhancing early warning and disaster reduction systems and in the roll-out of basic services, water resource management, infrastructure planning, agriculture, biodiversity and in the health sector.
4. GHG emissions must peak, plateau and decline. This means it must stop growing at the latest by 2020-2025, stabilise for up to ten years and then decline in absolute terms.
5. Over the long term we will redefine our competitive advantage and structurally transform the economy by shifting from an energy-intensive to a climate-friendly path as part of a pro-growth, pro-development and pro-jobs strategy.
6. Implementing policy under six themes will lay the basis for measurable, reportable and verifiable domestic emission reduction and limitation outcomes.
7. Overall, this would constitute a fair and meaningful contribution to global efforts. We would demonstrate leadership in the multi-lateral system by committing to a substantial deviation from baseline, enabled by international funding and technology.

With reference specifically to our mitigation strategy, Government adopted the following vision:

1. The *Start Now* strategic option as outlined in the LTMS will be further implemented. This is based, amongst others, on accelerated energy efficiency and conservation across all sectors, including industry, commerce, transport and residential, inter alia through more stringent building standards.
2. We will invest in the *Reach for the Goal* strategic option by setting ambitious research and development targets focussing on carbon-friendly technologies, identifying new resources and affecting behavioral change.
3. Furthermore, regulatory mechanisms as set out in the *Scale Up* strategic option will be combined with economic instruments such as taxes and incentives under the *Use the Market* strategic option, with a view to:
 - Setting ambitious and mandatory (as distinct from voluntary) targets for energy efficiency and in other sub-national sectors. In the next few months each sector will be required to do work to enable it to decide on actions and targets in relation to this overall framework.
 - Based on the electricity-crisis response, government's energy efficiency policies and strategies will be continuously reviewed and amended to reflect more ambitious national targets aligned with the LTMS.
 - Increasing the price on carbon through an escalating CO₂ tax, or an alternative market mechanism.
 - Diversifying the energy mix away from coal whilst shifting to cleaner coal, by for example introducing more stringent thermal efficiency and emissions standards for coal fired power stations.

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- Setting similar targets for electricity generated from both renewable and nuclear energy sources by the end of the next two decades.
- Laying the basis for a net zero-carbon electricity sector in the long term.
- Incentivising renewable energy through feed-in tariffs.
- Exploring and developing carbon capture and storage (CCS) for coal fired power stations and all coal-to-liquid (CTL) plants, and not approving new coal fired power stations without carbon capture readiness.
- Introducing industrial policy that favours sectors using less energy per unit of economic output and building domestic industries in these emerging sectors.
- Setting ambitious and where appropriate mandatory national targets for the reduction of transport emissions, including through stringent and escalating fuel efficiency standards, facilitating passenger modal shifts towards public transport and the aggressive promotion of hybrids and electric vehicles.”

This vision establishes a framework within which the work of developing a Climate Change Response Policy is conducted.

The Climate Change Summit 2009

From 3-6 March 2009, South Africans from all spheres of life came together in Midrand to initiate a consultative process to develop the South African Climate Change Response Policy. During the Climate Change Summit 2009, nearly 900 representatives from government, business, the scientific and academic communities, and civil society and over 150 “virtual participants” linked through the Internet –

- considered the Intergovernmental Panel on Climate Change’s 4th Assessment Report and more recent international and local science relating to climate change;
- discussed and debated the potential social and economic vulnerabilities and impacts associated with the compelling scientific evidence of climate change;
- discussed and debated the potential policy responses to these key vulnerabilities and impacts, in particular for the poor, women and youth;
- discussed and debated the urgency of reducing greenhouse gas emissions internationally and locally as well as the costs of both action and inaction;
- considered the outcomes of work done since the 2005 National Climate Change Conference, including the Long-Term Mitigation Scenarios (LTMS), the Climate Change R&D Strategy, the Technology Needs Assessment, the 2000 Greenhouse gas inventory and the initiation of the 2nd National Communication;
- discussed and debated the international implications of our response in line with the need for South Africa to shoulder its fair share of responsibility as part of an effective global response; and
- discussed and debated the process of developing an integrated, cohesive, coherent and effective National Climate Change Response Policy.

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In President Kgalema Motlanthe's words "Acting now on climate change presents the best possibility to overcome the challenges of the global economic crisis through investment in pro-poor, job creating and sustainable 'green growth'".

The Summit agreed that climate change is one of the greatest threats to our planet and to our people. The Summit also agreed that climate change, if un-mitigated, also has the potential to undo or undermine many of the positive advances made in meeting South Africa's own development goals and the Millennium Development Goals.

The gathering affirmed South Africa's commitment and determination to act on climate change and to shape policy informed by the best-available science.

In opening the Climate Change Summit 2009, President Kgalema Motlanthe took the lead. He expressed his wish that "the deliberations of the Summit will provide recommendations that could form the basis of giving effect to Cabinet's mandate of formulating a sound policy framework for a transition to a low-carbon economy." He also reiterated that "Government has agreed to a strategic policy framework for our emissions to peak between 2020 and 2025, and then stabilise for a decade, before declining in absolute terms towards mid-century."

In his Keynote Address on the international negotiations context, Minister Marthinus van Schalkwyk reiterated that "no nation has a plausible excuse for not doing its fair share", that this fair share is "inextricably linked to questions of global equity" and that "the global mitigation effort should be informed by the most ambitious IPCC scenario for climate stabilisation". He concluded that "we cannot allow ourselves to dither at the point when action and implementation are most critical".

Emissions from the energy supply and use (excluding transport emissions) account for over 70% of South Africa's total greenhouse gas emissions. In her statement on mitigation in the energy sector, Minister Buyelwa Sonjica noted "the need to step up implementation to address greenhouse gas emissions," including the importance of demand-side management measures, energy efficiency, Working for Energy, investments in renewable energy and a Renewable Energy Feed-In Tariff to "stimulate the renewable energy market in South Africa."

Greenhouse gas emissions from the transport sector account for around 12% of South Africa's total greenhouse gas emissions. In a statement on behalf of Minister Jeff Radebe, a transport modal shift, e.g. from private cars to public transport and from road to rail, was supported. He further stated that "the heart of our transport strategy is putting sustained, long-term investment into public transport to improve the reliability of journeys by rail, by taxis, and by bus, giving more people a real alternative to travel by car – but also meeting our obligations on carbon emissions."

In her statement on Government's vision on climate change adaptation, Minister Lindiwe Hendricks noted the dual challenge of responding to climate change, namely "to avoid the unmanageable through mitigation; and manage the unavoidable through adaptation." She stressed that climate change considerations must be integrated the Water for Growth and Development Strategy.

Councillor Sophie Molokoane-Machika, the Deputy Chairperson of the South African Local Government Association (SALGA), stated that local government is "strategically positioned to be in the frontline in tackling climate change."

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The CEO of Business Unity South Africa (BUSA), Mr Jerry Vilakazi, pointed out business and industry's commitment to: "(i) participating in the debate around instruments which promote cost effective carbon reduction; (ii) providing GHG emission information to the National Inventory; (iii) exploring every means of improving energy efficiency; and (iv) incorporating mitigation into the Department of Trade and Industry's Industrial Policy Action Plan."

Mr. Bheki Ntshalintshali, the Deputy General Secretary of the Congress of South African Trade Unions (Cosatu), iterated that climate action is a government-wide responsibility that requires "a strong and innovative multilateral solution". He further stated "green jobs can make a major contribution to clean economic growth, development and poverty reduction."

Ms Dora Lebelo, representing broader civil society in the climate change sector, presented the following vision: "We must ensure that vulnerable people and fragile ecosystems are protected from the impacts of climate change and not burdened with the costs of climate change or response measures" and advocated for a national adaptation fund and full evaluation of ecosystem services.

The science day further considered the technologies, policies and investments that would be required for mitigation and to put our country on a path to a low carbon economy and society. The Summit highlighted the urgent need to develop the human and institutional capacity to address these challenges and make full use of the opportunities.

The Summit also gave a platform to eminent scientists who outlined the present and likely impacts of climate change on South Africa. These include: changes in rainfall patterns and increases in the distribution, frequency and intensity of extreme weather events; reduced agricultural crop yields impacting on food security; potential species extinction; increased growth rates of invasive species; and an increase in the areas affected by vector-borne diseases, including malaria. In all of these circumstances it is the poor who will be worst affected.

Policy issues and debates

Following active and vigorous discussions and debates around South Africa's policy response to climate change, there was widespread consensus on:

- pursuing what is required by science, consistent with the lowest stabilisation levels assessed by IPCC
- the transition to a climate-resilient and low-carbon economy and society
- placing the climate change response in the context of equity, sustainable development and poverty eradication
- a strong science-policy interface
- balancing our adaptation and mitigation responses and integrating adaptation into development planning
- building climate resilience at a local level, including prioritisation of energy access for the poor

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- the scaling-up of renewable energies and energy efficiency
- energy efficiency standards for industrial equipment and processes
- the need for integrated energy planning
- enhanced government coordination and policy alignment
- putting a price on carbon. The most appropriate mix of instruments (markets, taxes, incentives and GHG standards) to achieve this requires further work.
- Most participants agreed on the need to fast-track the implementation of the favourable tax treatment for carbon credits from Clean Development Mechanism projects
- massively up-scaled public education, awareness, media and information on climate change
- advancing gender mainstreaming as a critical dimension of poverty eradication, sustainable development and adaptation to climate change
- mobilising the resources required, including the significant investment in R&D for new technologies

The Summit also provided a space for expression of differing views. As we work towards consensus, the following areas of divergence will require more discussions:

- The nature of the country's energy mix, the meaning of 'cleaner energy', the transparency of integrated energy planning and optimal institutional arrangements. In particular, our approach to coal based electricity, nuclear roll-out and the feasibility of renewable energy technologies to address base load demand were hotly debated.
- Transparency in the decision-making process was stressed by most participants, with several calling for an independent review of the Eskom new build programme in the light of climate change considerations.
- On economic instruments, most participants felt that taxes, emissions trading, incentives and subsidies could play a role. Some felt that a double dividend (both GHG emission reductions and socio-economic benefits) could be achieved by recycling the revenues of a carbon tax or auctioning allowances for domestic GHG emissions trading, while others cautioned about the potential impacts of increased taxes in the current financial context, as well as concerns about ear-marking of revenues. Some participants proposed a pilot phase for domestic emissions trading, which could be voluntary initially and develop into a mandatory cap-and-trade system.

Immediate priorities

To kick-start the transition to a the low-carbon and climate-resilient economy and society, the summit agreed that during the policy development process, existing work and high priority interventions should continue, including:

- Mandatory standards for energy efficiency, including standards for commercial and residential buildings, fuel efficiency standards
 - The roll out, scaling up of solar water heaters and building of a local industry

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- Finalising and implementing a renewable energy feed-in tariff at a level adequate to incentivise large-scale investment
- Working for Energy and other initiatives to create green jobs in energy efficiency and renewable energy
- Working for Adaptation – developing a green jobs programme to build climate resilience
- Ensure that the Industrial Policy Action Plan review includes promotion of green technologies to address both adaptation and mitigation
- Accelerate the development of the Risk and Vulnerability Atlas to inform adaptation responses and planning
- Developing the atlas of sites for carbon capture and storage (CCS) and establishing a CCS centre
- Finalise the Greenhouse Gas Inventory and the Second National Communications for submission to the UNFCCC
- Completion of the Treasury report on options to implement a price on carbon this year
- Developing regulations for mandatory emissions monitoring and reporting
- Convening by Government of a group to ramp up efforts on education, public awareness, media and public awareness

Towards policy implementation

In taking the policy development process further, issues and areas of work are identified for key sectors and stakeholders.

- The National Climate Change Response Policy will be developed through a participatory, multi-stakeholder, consultative and iterative process.
- Issues raised during the Climate Change Summit 2009 must be addressed in a transparent manner and fed into the policy development process
- All key affected national departments must initiate and facilitate the development of the sector-specific components of the National Climate Change Response Policy that fall within their mandate, jurisdiction or sphere of influence, including –

National department	Sector issues and areas of work for development of the National Climate Change Response Policy
Arts & Culture	Raising public awareness on climate change impacts, vulnerability, adaptation and mitigation responses, using the creative arts
Agriculture	the mitigation of greenhouse gas emissions from the agricultural sector and the adaptation of agriculture to manage and/or minimise the impacts of climate change
Communication	the mitigation of greenhouse gas emissions, including through Information and Communication Technology and infrastructure
Education	formal and informal education on the mitigation of greenhouse gas emissions and adaptation to the impacts of climate change, including through the integration of climate change issues into the school curriculum.

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National department	Sector issues and areas of work for development of the National Climate Change Response Policy
Environmental Affairs & Tourism	the mitigation of greenhouse gas emissions from the waste and tourism sector, the adaptation of the marine and terrestrial biodiversity conservation and tourism sectors to manage and/or minimise the impacts of climate change, be the custodian of the GHG information management system and development of the country's international negotiation positions
Foreign Affairs	manage South Africa's bi-lateral, tri-lateral and multi-lateral engagements around climate change and the alignment of foreign policy positions
Health	the adaptation of the health sector to manage and/or minimise the impacts of climate change
Housing	the mitigation of greenhouse gas emissions from the housing sector, including through energy efficiency and renewable energy initiatives and the adaptation of housing to manage and/or minimise the impacts of climate change, including through the establishment of green building standards
Labour	The building of skills to create green jobs as part of an expanded public works programme on energy efficiency and renewable energy and assist workers in minimising the impacts of climate change
Land	the mitigation of greenhouse gas emissions from changes in land use and the adaptation of land use to manage and / or minimise the impacts of climate change
Minerals & Energy	the mitigation of greenhouse gas emissions from the minerals and energy sector, including mandatory energy efficiency standards, the scaling up of renewable energy, the development of carbon capture and storage and cleaner coal technologies, while ensuring energy access for the poor, fast-tracking the roll-out and scaling up of Working for Energy, integrating climate change issues into integrated energy planning and the adaptation of mining and energy to manage and/or minimise the impacts of climate change
National Treasury	Coherent approach to domestic and international funding for mitigation and adaptation, including the use of economic instruments to drive and/or encourage the mitigation of greenhouse gas emissions and adaptation to manage and/or minimise the impacts of climate change
Public Enterprises	the mitigation of greenhouse gas emissions from public enterprises and the adaptation of public enterprises to manage and/or minimise the impacts of climate change
Provincial and Local Government	National disaster management and the use of the development planning regime to guide the mitigation of greenhouse gas emissions and adaptation to manage and/or minimise the impacts of climate change, including the climate-proofing of infrastructural development

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National department	Sector issues and areas of work for development of the National Climate Change Response Policy
Public Works	the mitigation of greenhouse gas emissions from public infrastructure, including taking the lead on energy efficient buildings and procurement processes, and the adaptation of public infrastructure to manage and/or minimise the impacts of climate change
Science & Technology	research and development in respect of the mitigation of greenhouse gas emissions and the adaptation to manage and/or minimise the impacts of climate change, the innovative technologies and systems need for both, as well as continuing to enhance research and systematic observation systems
Social Development	the adaptation of social services to manage and/or minimise the impacts of climate change
Trade & Industry	the mitigation of greenhouse gas emissions from the commerce and industry sectors and the adaptation of commerce and industry sectors to manage and/or minimise the impacts of climate change, in the process of strengthening the National Industrial Policy Framework and Action Plan that makes provision for a transition to a low-carbon economy and builds South Africa's competitiveness around low-carbon sectors
Transport	the mitigation of greenhouse gas emissions from the transport sector, including public transport systems, stringent and escalating fuel efficiency standards and the aggressive promotion of hybrids and electric vehicles and the adaptation of transport infrastructure to manage and/or minimise the impacts of climate change
Water Affairs & Forestry	the mitigation of greenhouse gas emissions from the water and forestry sectors, including through demand-side management and efficiency, and the adaptation of water and forestry to manage and/or minimise the impacts of climate change, while ensuring the ecological reserve is maintained

- Local government, through the South African Local Government Association and associated provincial associations, must initiate and facilitate the development of the municipal components of the National Climate Change Response Policy that fall within their mandate, jurisdiction or sphere of influence, including undertaking vulnerability and risk assessments in their areas and the integration of climate adaptation and mitigation actions into Integrated Development Plans;
- Provincial government must initiate and facilitate the development of the provincial aspects of the National Climate Change Response Policy that fall within their mandate, jurisdiction or sphere of influence, in particular the integration of climate change issues into provincial spatial and strategic plans;
- The Department of Environmental Affairs and Tourism will coordinate the policy development process using established inter-governmental and multi-stakeholder

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coordination forums and mechanisms and will ensure that all sector inputs are properly reflected in the evolving policy.

- Business commits to engaging within its constituency to develop consensus inputs into the policy process and to work actively with Government and other stakeholders to contribute to a sound climate change response policy. Business also commits to increase its efforts within its constituency to achieve higher levels of energy efficiency, to work with DEAT on the collection of GHG emission data for the 2000 GHG inventory and establish a sustainable GHG inventory management system, to work with **the dti** to develop sectoral mitigation actions that will be contributed to the policy process. Business will also continue with initiatives to engage international counterparts in the climate change debate to ensure that the interests of business in the developing world are well understood and to encourage its members to increase participation in voluntary climate change response reporting initiatives like the carbon disclosure project.
- Civil society, labour and the faith communities will continue to raise public awareness and motivate individuals, institutions and authorities to take actions to reduce greenhouse gas emissions and adapt to the adverse impacts of climate change, to critically evaluate and respond to the initiatives of government and the private sector, and to build the capacity of civil society to participate constructively in a consultative process to develop a national climate change response policy.
- The climate change science community will work together to improve projections of climate variability, climate change and their impacts, key vulnerabilities in affected sectors and communities, and exploration of appropriate mitigation and adaptation responses and their implementation. They will continue to enhance their role in building South Africa's capacity in climate change science and the broader engagement of its citizens in the related socio-economic challenges and opportunities.
- All Summit participants will engage with, and mobilise, their colleagues and/or constituencies to play an active role in the policy development process.
- The discussion document may be used as a framework for the development of the National Climate Change Response Policy.
- All Summit participants committed themselves to ensure that the policy development time frames are adhered to with a view to the publication of a White Paper on the National Climate Change Response in December 2010. In this regard, the following key milestones, were reaffirmed as the policy development implementation plan –
 - Written submissions from stakeholders by 15 May 2009.
 - Policy Draft Zero by August 2009, *inter alia* to inform negotiating positions for Copenhagen.
 - Green Paper published for public comment in April 2010.
 - Evaluate the draft policy to ensure policy coherence and alignment across government, including the benefits and costs of the proposed policy interventions and make recommendations on implementation and institutional arrangements

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- The National Climate Change Response White Paper published in the Gazette in December 2010.
- The process to culminate in the introduction of legislative, regulatory and fiscal packages to give effect to the strategic direction and policy by 2012.