



SOUTH AFRICA – LAYING A GREEN FOUNDATION FOR OUR FUTURE GENERATIONS

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25 August 2020

INTRODUCTION

▶ **Impact of COVID-19 is being felt in many sectors of our economies**

- ▶ Dramatically affected the livelihoods and the lives of people.
- ▶ Severe disruptions to global value chains, impacted industries and government revenue for the foreseeable future and negatively impacted the GDP growth of all countries in the world.
- ▶ Ecotourism, one of the biggest contributors to the GDP in South Africa, has been hard-hit by the Pandemic and will take time to recover.

▶ **COVID-19 pandemic presents an unprecedented opportunity to reset the global economy**

- ▶ Alignment of Economic recovery strategies
- ▶ Ensuring that such a transition is just, fair and equitable.
- ▶ Ensuring that the resulting economic and social burdens are not shifted onto vulnerable people and communities.

GREEN ECONOMY FOCUS AREAS AND PRIORITIES :

- ▶ **ENERGY:** South Africa is amongst the top 20 emitters of emissions – due to heavy reliance on fossil fuel for energy generation
 - ❖ Enhance access - Procurement of additional energy - Enabling environment for embedded generation- Retrofitting of public and private buildings - Energy Efficiency - Storage – New technology and innovation –

- ▶ **COAL TRANSITION:** Focus on the sector through the recently finalized National Employment Vulnerability Assessment & development of Sector Jobs Resilience Plans for priority sectors, including coal
 - ❖ Accelerating the coal transition - Retrofitting - Stranded asset and stranded communities (Retain and create new jobs created and re-skilling.)

GREEN ECONOMY FOCUS AREAS AND PRIORITIES :

- ▶ **WATER** : Geographically located in a water-scarce region
 - ❖ Water management, harvesting and water re-use
- ▶ **AGRICULTURE AND LAND USE**: More efficient land use planning.
 - ❖ Scaling up (Agricultural climate resilience and land use management)
- ▶ **BIODIVERSITY**: Majority of South Africa's National Parks and their employees in protected areas and heritage sites have been negatively affected
 - ❖ Wildlife management and conservation, Infrastructure investment - financial sustainability and resilience

GREEN ECONOMY FOCUS AREAS AND PRIORITIES :

▶ **WASTE:** Landfilling – mixed waste – methane gas emissions.

- ❖ Recycling - transition to a circular economy; - Compliance - Waste management services (waste diversion and reuse)

▶ **TRANSPORT:**

- ❖ Localization in the public transport sector - E-mobility – New technology and innovation (Compressed natural gas (CNG), hydrogen fuel cell)

▶ **OCEANS:**

- ❖ Infrastructure Investments (Deep water port expansion and port infrastructure) - Aquaculture and Fisheries - Coastal and Marine Tourism

STRATEGIC APPROACH:

- ▶ Move from project orientated approach to a more programmatic one.
- ▶ Game changing, transformative investments and aggregation
- ▶ Demonstrating the commercial viability of investments.
- ▶ Contributing to de-risking or buying down the risk of investments.
- ▶ catalysing scale-up or potential to leverage new resources.
- ▶ Maximising the concessionality of multilateral finance so as to facilitate blending thereby creating opportunities to introduce new financing instruments or financing.
- ▶ Using multilateral finance as a means of capitalising re-insurance facilities, an
- ▶ Greater efforts to maximise private sector investment and scaling up public-private partnerships.

CURRENT DEVELOPMENT:

- ▶ President Cyril Ramaphosa announced a R 500 billion fiscal stimulus package, the largest in this country's history, to tackle the economic fallout from the corona virus. Sustainable infrastructure projects have also been submitted for consideration under this stimulus package.

PORTFOLIO OF CONCRETE INITIATIVES

Energy

- ▶ Embedded Generation Investment Programme (“EGIP”) : (US\$ 337,6 million) It is projected to create 3130 jobs construction and 6,078 permanent jobs for 20 years life of project i.e. 304 jobs on average per annum and avoiding 14.4 MtCO₂ emissions – Under Implementation
- ▶ “DBSA Climate Finance Facility” Development Bank of Southern Africa (US\$ 170,5 million) Facility will create at least 132 jobs through installation and save 22 600 jobs while avoiding 29.7 MtCO₂ of emissions – Under Implementation
- ▶ Eskom Renewables Support Projects (Battery Storage) – (US\$ 273 million) – Approved
- ▶ Public And Private Sector Energy Efficiency Programme (PSEEP) (US\$ 241 million) - Potential lifetime Green House Gas (GHG)emission savings are more than 12 MtCO₂e and generate energy lifetime savings of 15,700 GWh with the potential to unlock private sector investment of about US\$ 230 million - Project development funding secured (US\$ 318 000)
- ▶ Energy Vault: Gravity And Kinetic Energy Based, Long-Duration Energy Storage Solutions – Concept being developed for the GCF Funding

PORTFOLIO OF CONCRETE INITIATIVES

Biodiversity

- ▶ Wildlife Conservation Bond (US\$ 192 million) - 154,141 ha of terrestrial protected areas for conservation, approximately 104 additional rhinos in these parks (equivalent to 1.9% of the current global black rhino population) and will potentially create a new asset class to mobilize institutional investors financing to conservation.- Project and Financing Approved

Transport

- ▶ Global Programme to Support Countries with the Shift to Electric Mobility (US\$ 238 million/ SA US\$ 40 million) - GHG emissions; Job creation; New transport innovations and infrastructure – Project and Financing Approved

PORTFOLIO OF CONCRETE INITIATIVES

Waste

- ▶ Municipal Solid Waste Management Programme; (US\$ 72 million) - Total estimated GHG emission reduction per annum is 572,800 t CO₂ eq.; job creation for both men and women an estimated total of 534 during construction and an estimated total of 404 during operations – Project development funding secured (US\$ 1,3 million)

Water

- ▶ SA Water Re-Use Programme (US\$ tbc) - 2 500 MI/d (913 mil m³/a) is available for reuse, which represents around 5% of the projected 2030 demand and could have significant impact on job creation and preservation - Project development funding secured (US\$ 479 845)
- ▶ Municipal Waste Water Treatment Works Programme (“WWTW’s”) - Concept being developed for the GCF Funding

PORTFOLIO OF CONCRETE INITIATIVES

Coal Transition and Energy

- ▶ Accelerating Coal Transition (ACT) Investment Program – (potential US\$ 500 million) - Jobs retained, new jobs created and re-skilling; mine areas reclaimed and reforestation; Renewable energy capacity installed; Energy storage capacity installed; Energy savings; GHG emission reductions – Investment programme under consultation by the Climate Investment Funds – Under discussion with the Climate Investment Funds (CIFs)

- ▶ P4G
 - ❖ Energize Africa - Ethiopia, Kenya, South Africa (US\$ 845,000)
 - ❖ Women's Livelihood Bond (- Indonesia (as the anchor country) as well as Bangladesh, Kenya and South Africa (US\$ 491,000)
 - ❖ Halving Food Loss and Waste (FLAWLESS) (Indonesia, Mexico and South Africa (US\$ 826,000)
 - ❖ Getting to zero coalition - Indonesia, Mexico and South Africa (US\$ 530,000)
 - ❖ Smart solutions for plastic waste management (US\$ 100 000)

REGIONAL CONTEXT:

- ▶ The African Ministers of Environment are currently considering a Draft Concept Note for Africa's Green Stimulus Programme. These include:
 - ❖ Improving Chemicals and Waste Management and the Circular Economy,
 - ❖ Conserving Biodiversity and Combatting Illegal Wildlife Trade,
 - ❖ Revitalising Eco-tourism and the Biodiversity Economy Combating Land Degradation,
 - ❖ Desertification and Drought, Enhancing Climate Action
 - ❖ Scaled up resources to support African Adaptation Programmes, including the Investing in the Blue Economy
 - ❖ Scaling up Climate Smart Agriculture and Food Security,
 - ❖ Sustainable management of forests, Improving Water Conservation and Use
 - ❖ Investing in Renewable Energy, Developing Smart Cities and Green Urban Areas, Enhancing Information and Communication and Technology (ICT).

MEANS OF IMPLEMENTATION

- ▶ How will South Africa and many other developing countries finance the green recovery and kick-start their economies.
 - ▶ Rising public debt, combined with significant capital outflows, reduced exports and future stranded assets.
- ▶ Developing countries require massive liquidity and financing support - (at least US\$ 3 trillion)
- ▶ Debt problem - Total debt stocks of developing countries in 2018 is estimated US\$ 2.55 trillion, the highest level on record.
- ▶ International finance environment - Evolving exponentially - Shifts away from fossil fuel - decline in ODA - a shift in the access modalities, the nature of finance and the types of instruments.
- ▶ Greater use of loan financing and other non-grant instruments - 2019 Joint MDB report on climate change finance - over 75% concessional and non-concessional loans vs 4% to 5%
- ▶ South Africa is viewed by multilateral financial institutions as a “Middle Income Country”
- ▶ Support that has been offered for the recovery process - enhanced debt facilities and interim debt servicing suspension for eligible low income developing countries.

CLOSING REMARKS

- ▶ Transitioning to a low carbon and climate resilient development pathway, the just transition and addressing the green recovery will require planning, intervention/investment identification including assessing the skills sets; domestic and international support, collaboration and partnerships (public and private) as well as an enabling domestic and international policy environments.
- ▶ International support, collaboration and partnerships not only in access to finance but also in innovation, capacity building, skills development and transfer, as well as support for technology development, transfer and diffusion.
- ▶ Collaboration should focus on tangible projects with the view to establishing “proof of concept” of these initiatives in order to demonstrate its benefits on the ground and in vulnerable communities as well as catalyse replication and scale up.
- ▶ **FORGET SLOGANS AND FOCUS ON ACTIONS**

THANK YOU- TAK - 감사합니다

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