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Policy brief

Governance of climate change policy: A case study of South Africa



Headline issues

- South Africa has a sophisticated climate governance system but faces a range of challenges in implementing its national climate policies
- Limited public sector capacity and dedicated financial resources are hampering climate change governance and implementation
- A new President and an increase in attention on climate and clean energy policy make this an opportune moment to act

Summary

South Africa has an elaborate and consultative system of climate governance and policy compared with many developing and emerging economies. As it moves to implement its national climate goals it faces important domestic challenges that need to be addressed. Some arise from overstretched human and technical capacity; others result from structural issues. These challenges have been exacerbated by several years of political crisis and 'state capture'.

Key cross-cutting strategies on climate change are in place, but these policies are not aligned and implementation has often been delayed.

These systemic issues have been a roadblock for the implementation of South Africa's nationally determined contribution (NDC) to the Paris Agreement and will continue to be so unless they are addressed.

The development of policies and strategies needs to be aligned with the objectives of the NDC, with renewed high-level commitment and a clear mandate created for a lead agency. Also needed are a comprehensive finance strategy, improved consultation fora, better data and information, and the discussion to be framed around developmental benefits and opportunities – including poverty reduction, clean energy access for communities, and opportunities from low-carbon growth and innovation.

Policy briefs provide analysis on topical issues, presenting specific recommendations to inform ongoing policy debates. Drawing on the Grantham Research Institute's expertise, they summarise either our research findings or the state of knowledge about a particular issue.

This policy brief has been written by **Alina Averchenkova, Kate Elizabeth Gannon and Patrick Curran.**

“The lack of alignment and policy coherence is a systemic issue that could become a roadblock for the implementation of South Africa’s NDC to the Paris Agreement”

Climate governance and challenges in South Africa

South Africa has put in place an elaborate and consultative climate governance system, especially when compared with other developing and emerging economies. As the country moves to implement its national climate goals and ramp up its ambitions to meet the Paris Agreement, it faces important domestic challenges that need to be addressed. These challenges are diverse in nature: some arise from overstretched human and technical capacity. Others result from structural issues, such as historical tensions between the main players, lack of clarity in the assignment of responsibilities, lack of ownership over implementation agendas, multiple ministries dealing with issues concurrently without sufficient coordination, and cumbersome and ineffective communication practices.

The challenges have been exacerbated by a wider political context of several years of political crisis and ‘state capture’¹ over the past 10 years, which resulted in uncertainty over the direction of climate change and energy policy, distracted leadership and low political will to act further.

Based on extensive expert interviews and the analysis of the key policy documents (see Box 1), this brief examines the governance challenges and identifies opportunities for addressing them to enhance implementation of climate policy. While some of the governance challenges, such as those around tensions between the state and private sector, are relatively more important in South Africa than in some other countries owing to its history and recent political dynamics, most issues are also relevant to other emerging and developing economies.

Lack of policy alignment and delays to implementation

National climate change governance in South Africa is the product of more than two decades of policy evolution and has been shaped by a comprehensive landscape of executive policies, strategies, regulations and institutions (see Figure 1). The 2004 National Climate Change Response Strategy, followed by the National Climate Change Response White Paper (NCCRWP), approved in 2011, form the foundation. In 2012 climate change became a key element of the country’s overarching National Development Plan.

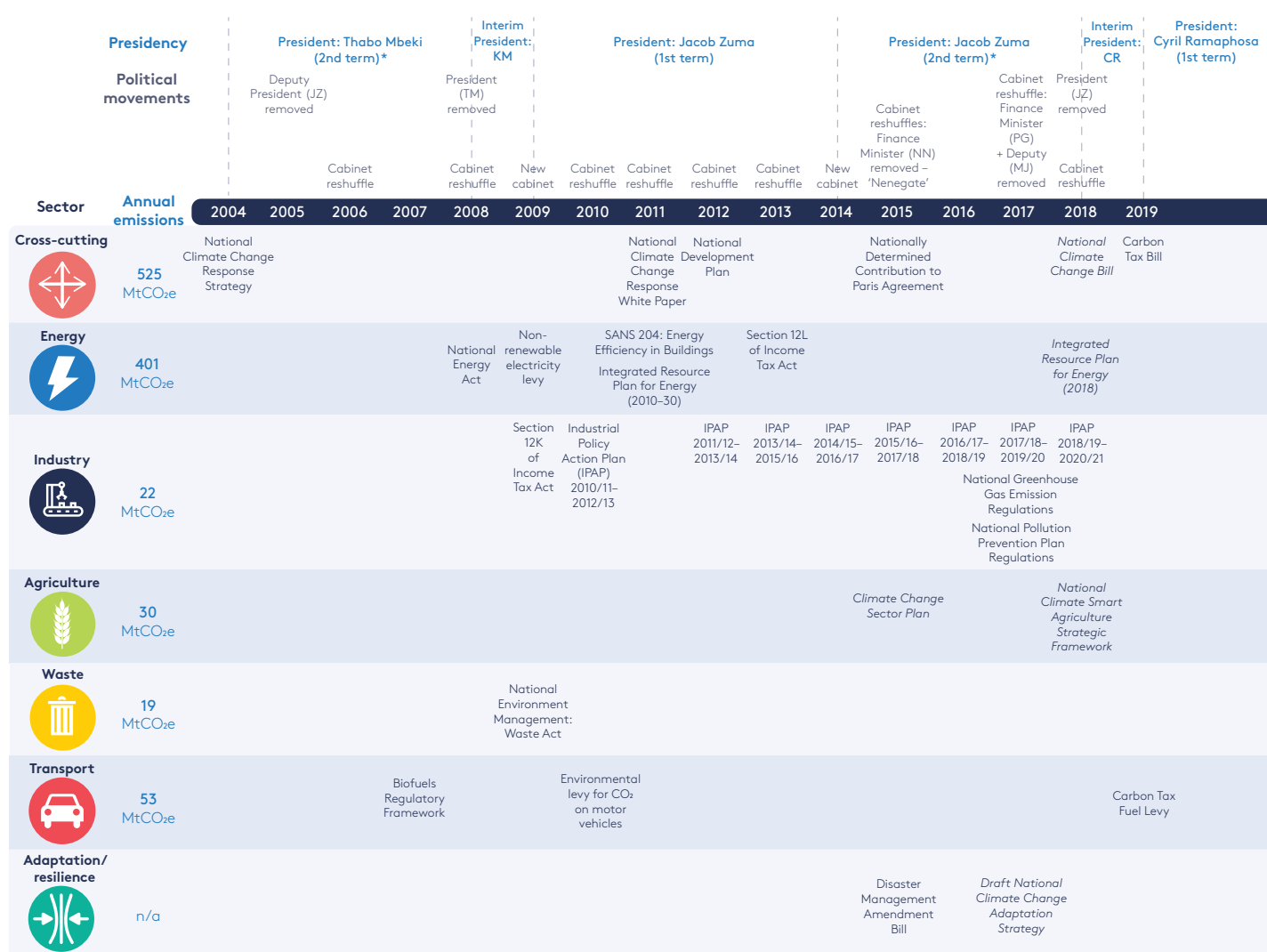
While there are a number of policies that operate across multiple sectors, there are also those that are targeted at avoiding emissions or supporting more specific sectors. The development of these sectoral level policies in South Africa is skewed by the greenhouse gas emissions profile of the country, with high-emissions sectors such as energy having more developed climate policy landscapes. These strategies are cross-cutting and gave a start to several specific policy mechanisms, including the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) and the cross-sectoral carbon tax. However, since 2010/11 climate change policy overall and, in particular, mitigation policies in the energy sector, have been delayed.

Policies on adaptation and resilience have had little focus to date. A draft National Climate Change Adaptation strategy was released in 2017 for public comment but has not yet been approved.

A systemic issue that could become a roadblock for the implementation of South Africa’s nationally determined contribution (NDC) to the Paris Agreement is

1. Transparency International defines state capture as “a situation where powerful individuals, institutions, companies or groups within or outside a country use corruption to shape a nation’s policies, legal environment and economy to benefit their own private interests” (Transparency International, 2014).

Figure 1. Timeline of climate-related policy by sector plus key political events, 2004–19



Notes: *Full term not completed due to resignation. Only policies related to climate change or specifically targeted at supporting initiatives aimed at climate change action are included. *Italics* denote policies that are in preparation or undergoing consultation but have not yet been formally approved (either by Parliament or Cabinet). Year signifies when draft was first published for consultation. CR – Cyril Ramaphosa JZ – Jacob Zuma KM – Kgalema Motlanthe MJ – Mcebisi Jonas NN – Nhlanhla Nene PG – Pravin Gordhan TM – Thabo Mbeki. MtCO_{2e} = million tonnes of carbon dioxide equivalent

Box 1. Study methods

This study is based on 30 semi-structured interviews with active or former civil servants, policy experts and private sector representatives in South Africa conducted over the period October 2017 to March 2018. Two interviews were in a group setting with two experts each, so the overall number of experts interviewed was 32.

The interviewees were selected to cover a range of relevant perspectives, from a number of sectors and with different stances towards climate change policy, based on direct engagement in the climate change debate or policymaking. While some could be characterised as broadly supportive of climate change action, others represented carbon-intensive industries that may stand to lose out from ambitious climate action. Ten of the interview respondents were women.

The interviews were transcribed and analysed qualitatively through thematic content analysis with the aid of NVivo software to identify themes and stories and to extract relevant direct quotes.

In addition, we held several background discussions with experts and carried out a literature review.

“There is a shortage of capacity to deal with climate change and related policies within the Government that stems from limited human and financial resources, and a shortage of relevant expertise and skills”

the lack of alignment and policy coherence: in other words, the gap between climate change goals and the objectives set in other key strategies and policy documents that determine the trajectory of development. This lack of alignment was particularly important for the period 2010 to 2018 in the case of the Integrated Resource Plan (IRP), which determines South Africa’s strategy for energy generation for the next 20 years. It is also relevant for other sectoral policies, including the Industrial Policy Action Plan.

Comprehensive governance mechanisms but with varying effectiveness

Technically, South Africa has a comprehensive system for vertical and horizontal coordination. The NCCRWP recognises that to ensure sustainable development and a just, managed transition to a low-carbon society, policies need to be aligned both vertically (from national to local levels) and horizontally (between national departments). It sets out an obligation for all government departments and state-owned enterprises to align their policies, strategies and regulations.

The Inter-Ministerial Committee on Climate Change, Intergovernmental Committee on Climate Change and the Forum of South African Directors General are the key mechanisms for coordination. Every climate change-related policy must further pass through a comprehensive stakeholder engagement process, including through the National Committee on Climate Change and the National Economic Development and Labour Council.

However, ensuring coherent policy formulation and implementation remains challenging due to the fragmented nature of responsibility for climate policy. Clear

relationships between different governance elements are not well established and in some cases this has led to a lack of clarity surrounding how policies will be jointly implemented and aligned. The lack of aligned position impacts the effectiveness of the public sector in producing and implementing climate policies and also impedes engagement with and policy signalling to other stakeholders, especially the private sector and investment community; as seen, for example, in the ongoing discussions about the alignment between the carbon tax and budgets.

Limited public sector capacity and dedicated financial resources

There is a shortage of capacity to deal with climate change and related policies within the Government that stems from limited human and financial resources, and a shortage of relevant expertise and skills. Several key agencies are generally understaffed. This situation is exacerbated by the growing complexity of work involved in designing and implementing sectoral and multi-sector decarbonisation and resilience policies. These challenges are more acute at provincial and municipal levels.

Also in short supply are the financial resources needed to augment governance capacities to work on climate change in the key agencies and for financing policy implementation and the underlying investments in the low-carbon and climate-resilient transition. One of the critical gaps underlying the shortage of finance is the lack of a comprehensive climate finance strategy to define the allocation of resources to support climate change work and to attract international funding

and investment. Furthermore, there is a shortage of skills and capacity among the government departments, devolved administrations and private actors to prepare financeable project propositions.

Gaps and constraints in information and data

The need to improve the availability of credible data on current and projected greenhouse gas emissions and their mitigation potential is another challenge, and prompts wider concerns about the legitimacy of targets and policies. Addressing these challenges will require improvements to the collection of information and to the measurement of progress, including rigorous reporting and evaluation frameworks with clear common indicators.

Mistrust of public–private engagement

Fora to facilitate horizontal coordination between stakeholders have been established, including those to facilitate constructive engagement and discussion to build informal and personal relationships (for example by the National Business Initiative). However, tensions remain and are often accompanied by calls for policy proposals to be changed and delayed. These tensions arise due to mistrust, difficulties in historical relationships, and questions around the pace, scale and form of policies. They exist both between and within government departments, state-owned enterprises, academic research centres, civil society and trade unions.

While some issues are embedded in the general dynamics of the relationships between public sector and non-state actors in South Africa, many are related to the ways in which consultations

are run: for example, concerns around continuity, and a lack of transparency on how feedback from stakeholders is dealt with. These issues are prevalent throughout South Africa’s political discourse and economic structure – but climate is a policy area where constructive interaction between the public and private sector is particularly important for making progress.

Opportunities to overcome barriers to climate governance

South Africa is now moving from climate policy planning to implementation, further exposing the challenges around climate change governance and making the need to address them increasingly urgent. Change in the leadership of the country and a new momentum in the discourse towards giving greater importance to climate and energy policy make it an opportune moment. The process of consultation on the draft climate change legislation recently launched by the Government, as well as the new draft Integrated Resource Plan (IRP), offer opportunities for discussing and implementing some of these improvements.

Recommendation 1: Align development policies and strategies with the objectives of the nationally determined contribution (NDC)

Successful implementation of South Africa’s NDC requires that its objectives are strongly anchored in the National Development Plan, the Medium-Term Strategic Framework and developmental and management plans at provincial and city levels. It could be useful to include a requirement to mainstream climate change and to cooperate with other agencies in the performance

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goals and monitoring frameworks for each ministry and into the budget planning cycle, and for the performance metrics to include policy coordination and integration. The draft 2018 Integrated Resources Plan, which sets the future energy strategy (currently under consultation), is an important step in the right direction, having integrated the NDC objectives in its scenarios and included a clear target for renewable capacity. Similarly, the reinstatement of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) in 2018 was a welcome step. It is important that the Government’s commitment to these programmes and objectives is sustained and integrated into other sectoral policies.

**Recommendation 2:
Renew high-level commitment and empower key agencies through clear mandates**

Successful implementation of climate policy requires renewed political commitment and leadership from the highest level and a unified approach from the Government. There needs to be a clear mandate for a lead agency entrusted with coordinating implementation and for each of the sectoral agencies to designate staff and resources and to implement policies, based on the existing work and lessons learnt from past experiences. A consideration should also be given to which agency is best suited to lead on the coordination of the implementation of the national climate change objectives, taking into account their technical expertise, political standing and availability of resources.

**Recommendation 3:
Launch a forum focused on implementing the NDC**

Moving to implementation requires

a transparent and continuous process focused on policy alignment and coordination, led by a strong government agency that has a clear mandate from the highest political level to coordinate this process. A system of common planning and monitoring indicators or outcome templates could help facilitate the coordination of implementation, backed up by an iterative process of reflection, learning and integration of lessons. Provincial and city governments should have strong representation in this process. This forum should be chaired and convened at a high level (for example, ministerial), and include senior representatives from the private sector and civil society to discuss issues, challenges and coordination.

**Recommendation 4:
Develop a comprehensive finance strategy**

Effective implementation of the NDC and the transition to low-carbon and climate-resilient development requires allocation of resources and strategic realignment of budgets. Development of the national climate finance strategy, as mandated by the White Paper, should be among the priority actions. Establishing a designated coordination mechanism on finance for NDC implementation could help align existing – and mobilise new – sources of funding. National government should also assist the provincial and municipal levels by providing guidelines and capacity-building on how to prepare projects. It should also make targeted funding available.

**Recommendation 5:
Frame the climate change discussion around developmental benefits and opportunities**

Linking climate policy to poverty reduction objectives, clean energy access for communities and

stimulation of new low-carbon industrial growth and innovation is key to leveraging buy-in and effective engagement across levels of governance, horizontally and vertically. In order to engage the relevant sectoral agencies in implementing the NDC, it is important to demonstrate the co-benefits of the interventions and opportunities, and positive synergies for advancing sectoral agendas, while addressing climate change.

**Recommendation 6:
Improve existing consultation
and engagement fora**

The effectiveness of the existing mechanisms for engaging stakeholders could be improved by expanding their membership (for example, by inviting the Inter-Ministerial Committee on Climate Change to meet with company CEOs), by engaging with the relevant sectors more consistently, and by making their participation in the main fora mandatory through direct, high-level mandates. Changing the mode and tone of engagement, and emphasising transparency in the Government's methods of dealing with stakeholder feedback, would aid communication with stakeholders. It is also important that senior experts with a good understanding of business perspectives lead the engagement on the Government's side.

**Recommendation 7:
Invest in strengthening
relationships between
stakeholders and the processes
of interaction**

Providing opportunities for all stakeholders to engage informally in non-governmental fora is key for breaking down the current barriers inhibiting public-private engagement. Spaces are needed where all parties can collaborate

outside bureaucratic processes without being entrenched into formal positions of the constituencies they represent. This effort should be facilitated by a neutral broker who is trusted by both the Government and private sector. It should build on past experiences and focus on concrete implementation challenges.

National government and municipalities should also look for and cultivate 'climate champions' that could catalyse action. Furthermore, developing personal relationships that move away from 'political lines' to interactions as individuals, and investing in improving interaction processes, should be considered as part of key measures to improve the effectiveness of climate governance. This would help overcome obstacles in horizontal and vertical coordination and stakeholder engagement. Practically, this could be done through participatory training or pilot projects that bring together experts from different sectors and stakeholder groups.

**Recommendation 8:
Improve data, information and
public awareness**

Developing and implementing the NDC and climate policies more broadly requires improving the data and information base. Continuing to strengthen public engagement to build awareness of climate change and related actions and policies, alongside the facilitation of climate activism, should form an important part of the NDC implementation strategy. Consideration should be given to improving ways of sharing expert information and research relevant for the low-carbon and climate-resilient transition, making it more accessible to the public sector and other stakeholders.

“Changing the mode and tone of engagement, and emphasising transparency in the Government's methods of dealing with stakeholder feedback, would aid communication with stakeholders”

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This policy brief is intended to inform decision-makers in the public, private and third sectors. It has been reviewed internally and externally before publication. The views expressed in this brief represent those of the authors and do not necessarily represent those of the host institutions or funders.

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